Opec tensions rise in run up to summit, Page 2

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Friday March 14 1986

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World news

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Moscow to Exxon and extend its Chevron spending ban on N-tests plans cut

The Soviet Union said it would ex- EXXON and Chevron, two of the tend its moratorium on nuclear top four US oil companies, an-arms tests, due to end on March 31, nounced plans to reduce their 1986 as long as the US does not carry out any nuclear tests. ny nuclear tests. Mikhail Gorbachev said the

Kremlin would also agree to on-site inspection to verify a nuclear test ban and that that would include al-

In Geneva at the United Nations conference on disarmament. Soviet movements and the underlying perambassador Victor Issraelyan pro-posed that an international agree record result of 1984. Lex, Page 24; ment should be negotiated, to pro- Details, Page 20 hibit anti-satellite weapons in outer space and allow artificial satellites to circle the earth. Page 3

Blow for Shamir

Israeli Foreign Minister Yitzhak Shamir, scheduled to become prime minister next October, suffered a blow when the right-wing Herut Party convention broke up violently in Tel Aviv without endorsing him as leader. Page 4

Finnish strike

Key sectors of Finnish industry and all foreign trade came to a standstill when more than 240,000 workers went on strike for shorter working hours and higher wages. Page 3

Fishermen freed

Soviet authorities released five Danish fishermen accused of illegal fishing in the eastern Baltic after they agreed to pay a fine.

Strasbourg plea

Warsaw accused

The European Parliament called on exiled Philippine leader Ferdinand Marcos and Jean-Claude Duvalier of Haiti to return the fortunes takeo from their countries.

The International Confederation of Free Trade Unions accused the Polish Government of ill-treating imprisoned members of the banned trade union Solidarity.

Raids suspended

The Sri Lankan Government said it would suspend air raids on nor-thern guerrilla strongholds for a week and was prepared to talk with Tamil rebels. Page 4.

UK seamen on strike

Many ships failed to sail from UK ports because of a 24-hour strike called by the National Union of Seamen to protest against plans to close a seamen's hospital in Lon-

More Ulster troops

Another battalion of regular troops is on its way to Northern Ireland, bringing the British Army's strength there to more than 10,000.

Police in Stockholm arrested a Swede suspected of involvment in the murder of Prime Minister Olof Palme. The arrest was the first since Palme was murdered on his way home from a cinema last

Sinai site found

An Italian archaeologist said be had established the site of Mount Sinai, the holy mountain, where according to the Bible God gave Moses the 10 Commandments. Pro-fessor Emmanuel Anati said it was Har Karkom, an 850-metre peak in Israel's Negev desert.

Drug haul chase

Italian police said they had seized a boat carrying more than three tonnes of hashish worth 50m after a

three-day chase.

Freedom flight crash A Czechoslovak was killed when his motorised home-made hang glider crashed as he tried to flee to the West, Another person was seriously injured in the crash near Brno. 50

km from the Austrian bordar.

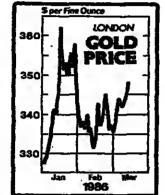
Business summary :

capital spending by a combined \$4.3bn because of the fall in oil prices. Page 25

ROYAL DUTCH/SHELL, the Angban and that that would include allowing foreign inspectors on Soviet test sites.

10 Dutch oil group, suffered a 17 per cent fall in after-tax profits to test sites.

11 Geneva at the United Nations



GOLD rose \$3.75 an ounce in the London builion market to close at \$348.25, and in Zurich to \$349.45 from \$344.25. In New York the Co-mex April settlement was \$349.2.

DOLLAR rose in London to DM 2.2955 (DM 2.2840) and FFr 7.06 (FFr 7.0275). It fell, however, to 1719.90 (Y180.25) and SFr 1.0320 (SFr 1.9340). On Bank of England figures, the dollar's exchange-rate index rose to 118.8 from 118.2.

STERLING fell against the dollar to STERLANG fell against the doubt in S1.4594 (\$1.4675). It also fell to DM 3.35 (DM 3.3525); FFr 10.305 (FFr 10.3125); SFr 2.82 (SFr 2.8375) and Y263.50 (Y264.50). The pound's exchange rate index closed at 74.6. down from 75.2. Page 43

WALL STREET: The Dow Jones industrial average closed 8.26 up at 1,753.71. Page 50

LONDON: Caution set in after Wednesday's record rise but some equity leaders were able to consolidate recent gains. The FT Ordinary in-dex closed 0.1 off at 1,349.7 and the FT-SE 100 index closed 7.8 lower at 1,816.7. Page 50

TOKYO: Higher margin requirements failed to subdue buying and the Nikkei average registered its seventh largest rise of 176.53 to close at 14,414.66, another all-time high. Page 50

US STEEL, leading American steel company, said it would take a \$260m charge to reflect the declin-ing value of energy inventories in its Marathon subsidiary. Page 25 BRITISH TELECOM increased pre-

tax profits by £62m to £448m (\$654m) in the third quarter. Rental income was up 11 per cent. Page 31 PININFARINA, Italy's family-controlled top car designer, plans to float 25 per cent of its shares on the Milan stock market. Page 25

NESTLE, Swiss foods group, reported a 17.7 per cent increase in consolidated net profit to SFr 1.75bn. Page 25

EUREKA: Britain is relaxing its rules on research funding, making it easier for UK companies to join the European technology pro-gramme. Page 24

JAGUAR, UK luxury car maker, increased worldwide sales by 15 per cent in 1985 and lifted pre-tax profits by £29.8m to £121.3m (\$177m). Lex, Page 24; Details, Page 30

ROWNTREE MACKINTOSH, UK confectionery and foods group, made pre-tax profits of £79.3m (5116m) last year, £4.8m more than in 1984. Analysts had forecast a £75m surplus. Lex, Page 24; Details,

BORREGAARD and Orkie Industrier, leading Norwegian concerns, announced discussions aimed at a

World Bank set to agree \$1bn loans for Latin America to \$372m

BY STEWART FLEMING IN WASHINGTON

THE BOARD of the World Bank is set to approve loans of close to \$1bn for four Latin American countries, including a \$350m agricultural loan for Argentina linked to economicpolicy reforms. According to officials in Washing-

ton, the agricultural-development loan for Argentina is particularly significant. If as seems likely, the board is asked to approve it at a meeting on March 25, it implies that the World Bank Is satisfied with the medium-term economic plan it has been negotiating with Argentina and with the specific economic reforms that Argentina says it will implement in return for the

Those reforms call, among other things, for lowering taxes on agri-cultural exports and reducing import restrictions on fertilisers.

From the World Bank's point of view approval of such lending packer than with the negotiations curages will be seen as evidence that it rently in progress between Mexico tary, last October for the multilateral development banks to increase significantly their lending to the group of 15 middle-income developing countries, including 10 in Latin

Bank officials have been worried that unless thay significantly in-crease the level of lending this year, weeks, including four top-level ses-

BY STEFAN WAGSTYL IN LONDON

PHILIPP & LION, a metal trader

headed by Mr Jacques Lion, chairman of the London Metal Ex-

change, is quitting the exchange's trading floor in the wake of the tin

nounced its plans to resign its ring-dealing membership as other trad-

ers counted the cost of the crisis, af-

ter the failure to negotiate a settle-

ment with the International Tin

Council, which has defaulted on its

£900m (\$1.3bn) debts to banks and

S. & W. Berisford, the parent co-

pany of LME member J. H. Rayner

(Mincing Lane), raised the ex-

traordinary provision it has made for its tin crisis losses from £10m to

£35m. Dalgety, the food group that

owns LME trader Gill and Duffus,

announced a £25m extraordinary

provision, saying that amounted to

metal brokers.

Philipp & Lion, a partnership

Mr Barber Conable has been elected president of the World Bank, replacing Mr A. W. Clausen, who announced his intention en, was amounteed his internation to resign last October. Mr Con-able, aged 63, is a former top-ranking Republican on the House Ways and Means Commit-

they will again face criticism. Last year, a row arose among the board when it emerged that loan approv-als for 1985, which finally totalled \$11.4bn, would fall below 1984's lev-

el of \$11.9bn. Other countries set to benefit from the loan plan are Mexico, Colombia and Ecuador.

The loans to Mexico, however,

are quite different from the Argentine loan because they are associated with last year's earthquake rathis responding to the call by Mr and its creditors about its 1986 fi-James Baker, US Treasury Secrenancial needs.

In Washington, officials are tightlipped about the talks and the Trea-sury is still officially denying that the US is preparing an emergency aid package for Mexico. Little progress appears to have

been made in talks between the two

LME chairman's group

TIN PRICES

LME Suspenda Trading

Free Market

mining company, disclosed a CS34m.

(USS24.3m) loss, incurred by its

The companies bave been able to

quantify the bulk of their losses af-

ter the LME authorities settled all

LME company, Rudolf Wolff.

7.5 per cent of sbareholders' funds outstanding tin contracts at a fixed

at the end of December 1985. Nor- price of £8,250 a tonne on Wednes-

anda, the bard-pressed Canadian day and closed the tin market for

to quit trading floor

sions involving Mr Baker, Mr Paul Volcker, the US Federal Reserve Board chairman, and Mr Jesus Silva Herzog, Mexican Finance Minister.

The US Government has been insisting that Mexico undertake wide economic reforms in return for new money. But officials said yesterday that they detected little evidence of movement in Mexico since President Miguel de la Madrid hinted vaguely in a speech last month that relorms were under

Some in Washington suggest that the delaying tactics Mexico is adopting might help to strengtheo its negotiating position as the day approaches when it is unable to pay

In congressional testimony on Tuesday, Mr Baker played down the differences between the two countries, saying of negotiations with Mexico: There is a desire on the part of all parties to work towards resolution of the problem in the usual manner." He added: "1 think it is important that we demonstrate we want to help [Mexico]. They have got to be helpful

Continued on Page 24 Venezuela lowers horizons,

good. The "ring-out" set at some £140m the total loss incurred by 13

LME ring-dealing members on ITC

contracts, although another 11 trad-

lowest since 1976.

in Europe rises sharply By Kenneth Gooding, Motor In-

GM loss

dustry Correspondent, in London GENERAL MOTORS' net loss in Europe, where it owns Opel in West Germany and Vauxhall and Bed-ford in the UK, increased sharply to \$372.1m last year from \$291.1m in

The group, which is hoping to buy Land Rover and Leyland Trucks from state-owned BL in Britain, ended 1985 with borrowings and other liabilities in Europe totalling 5765.7m more than its assets.

The results show starkly how conditions differ in the North American and West European markets. GM is the world's largest automo-tive group but its strength comes mainly from the US, where it controls more than 40 per cent of the new-car market.

Last year, its worldwide opera tions produced net profits of \$4bn, down from \$4.52bn, on sales up rom \$84bn to \$96.4bn. GM's oet sales in Europe in-

reased from \$8.98bn in 1984 to 57.94bn last year. The group is extensively reorga-nising its car operations in Europe. It has set up for the first time an organisation, based in Zurich, Switerland, to co-ordinate its subsidi-

aries in 17 different countries, similar to that of Ford of Europe. GM is obviously concerned that, although its car sales in Europe reached a record 121m last year, it is still suffering substantial losses, particularly as Ford, its chief rival, increased its European net profit last year from \$147m to \$326m.

Since 1980, GM has boosted its penatration of the West European car market from 8.7 per cent to 11.4 per cent, but over the same period its net losses in the region bave

reached nearly \$2bn. Opel has already disclosed that it suffered another loss in 1985, but not as great as the DM 985m (\$302m) for 1984 when the company was badly affected by the West German metalworkers' strike.

Vauxhall has warned that its 1985 loss will be greater than the £9.4m (\$13.7m) in the previous 12 months.

ing companies shared a further In addition, groups left holding There has been no indication, S&W. Berisford, have had to proproved its position after a record vide for the fact that the metal is £62.4m loss in 1984. not worth £6,250 a tonne. The mar-GM hopes to improve Bedford's

ket price yesterday slipped to besituation by merging it with Land tween £4,850 and £4,800 a tonne, the Rover-Leyland but that process would take some time. At Philipp & Lion, Mr Lion said The US group's European results

the company had previously considered leaving the ring to concentrate this year will benefit from the recent acquisition in the UK of Lotus, on its international scrap-metal the sports-car and specialist engibusiness and the tin crisis had been neering company. "the last straw." Mr Lion intends to The firm's withdrawal, to be com

Swift decisions expected on N-power in UK

THE BRITISH Government is pre- hopes to secure rapid consent for a paring for speedy decisions on its nuclear power programme, after the expected delivery in September of the inspector's report on the public programme is needed partly. lic inquiry into Sizewell B, the UK's to replace power from the Magnox first proposed pressurised water

The Government's decisions might lead to the approval of four or five stations based on the Sizewell B design early next year.

This design is a British version of the American Westinghouse pressurised water reactor (PWR), adapted to meet UK safety requirements. Mr Peter Walker, Energy Secretary told Parliament yesterday that

he was preparing resources for "an urgent examination of the report," now promised by Sir Frank Layfield, the inquiry inspector, for de-It is understood that Sir Frank

has reached his main conclusion but is drafting his report - expected to contain more than 100 chapters in such a way as to anticipate and nswer all possible questions. The Government now perceives

the inquiry, which took more than two years to conduct and a further 18 months to write up, as a generic inquiry, applicable to all nuclear stations of the Sizewell B design. Subsequent replication of the 1,150MW Sizewell B design - for example at Hinkley Point in Somerset is seen as a matter for a site-specific inquiry that examines only lo-

In that way, the Government

BY DAVID FISHLOCK AND MALCOLM RUTHERFORD IN LONDON

first-generation nuclear stations, the first of which reach the age of 30 in 1992. Lord Marshall, chairman of the

Central Electricity Generating Board (CEGB), warned a House of Lords select committee yesterday of the growing urgency of getting a decision on Sizewell B. Failure to accelerate nuclear deci-

sion-making might drive Britain in-to "building a multitude of cables under the Channel to take advantage of the successful French nuclear programme," he told peers in-vestigating European nuclear energy co-operation.

Last week, the peers learned from Mr Remy Carle, in charge of building 20 Westinghouse-based PWRs for Electricité de France (EdF) - in addition to 39 already in service - that France was exporting to all neighbouring nations and had

begun to send power to Britain.
Britain is buying French electricity for about 25 per cent less than the generating cost of the CEGB, which has only 17 per cent nuclear electricity, compared with nearly 60 per cent for EdF. Lord Marshall said British elec-

Continued on Page 24 UK nuclear policy under scrutiny, Page 23

Soviet space launch shown live on TV

BY OUR MOSCOW CORRESPONDENT

nently manned space station.

shot since the US space shuttle
Challenger exploded on January 28
39, will rendezvous in two days'
and was televised live in Moscow,
the Space statico Mir the first such transmission of an all-Cosmonauts Leonid Kizim and

Vladimir Solovyev, who set a 238day space endurance record aboard the Salyut-7 space station in 1984, faultless lauch.

THE SOVIET Union sent two veter- show off the successes of its space an cosmonauts into space yesterday programme to audiences at home to open up the world's first perma- and abroad. US television networks It was the first manned space on breakinst shows.

> eace), launched on February the official newsagency Tass said. Reporting of the docking date

was highly unusual for the normally secretive Soviet space programme and may augur the Salyur-1 space station in 1904, openness about space shots in the lifting off aboard Soyuz T-15 in a faultie. Tass said the cosmonants would

The cootrast between yesterday's dock at one of two major ports on pictures from the Saikonur Cosmodorum in Kazakhstan and the lingary memory of Challenger explod—two spaceships and lour more spectrum. Ford Europe head quits, Page 25 | ing enabled the Soviet Union to cialised probes for space research.

Mandela sees Commonwealth team

prisoned black nationalist leader. has been allowed to meet the group of Commonwealth statesmen who are seeking "dialogue" in South Africa.

can president, Mr. P. W. Botha

The Commonwealth team, set up after the Commonwealth summit in Nassau-last October, is expected to leave South Africa today, having achieved one of the main objectives The seven-member team of 'emi- of their visit. They are now expect-

the Republic since the beginning of and present it to a special meeting the month, saw the African Nation of seven Commonwealth heads of

Sanctioning the meeting between the Commonwealth group and Mr Mandela is the nearest the South African Government has come to of Barbados, chairperson of the implicitly endorsing the ANC lead World Council of Churches, Archer's status as one of the leading po-litical figures in the Republic. It will Canada's Anglican church, and Mr

swana, Zimbabwe, Angola, Mozambique and Zambia, where it met of ficials of the ANC, including the president, Mr Oliver Tambo. If its report comes to negative

remain LME board chairman.

pleted by the end of the year means that the LME will have lost

four of its 28 ring-dealing members

Commodities, Page 42

Continued on Page 24

conclusions about the prospects of peaceful change and racial dialogue in South Africa, Mrs Margaret. Thatcher, the British Prime Minister, is certain to come under heavy pressure in June to support a Commonwealth package of sanctions against the Republic.

er's firm opposition in Nassau that the final communique fell short of the comprehensive economic sanctions demanded by most member Although selective sanctions

were marginally strengthened such as a ban on the import of krugerrands – members agreed instead to mount a Commonwealth diplomatic initiative which sought to en-

Continued on Page 24

BY J. D. F. JONES IN LONDON

MR NELSON MANDELA, the im- Mandela will have a role to play.

al Congress (ANC) leader on Wed- government in June. nesday, apparently in Pollsmoor . The team comprises Mr Malcolm Prison near Cape Town, according Fraser (former Australian Prime to reliable sources in South Africa. Minister), Lord Barber (former The team later met the South Africa. British Chancellor of the Exchange

also be seen as an acknowledgment Swaran Singh (former Indian Forthat should the "dialogue" between black and white being sought by the The group has also visited other black and white being sough by the Commonwealth get under way, Mr states in the region, including Bot-

nent persons", which has been in ed to draft a report on their visit

quer), General Olusegan Obasanjo

Technology: Europe's dash Lombard: the French rush

It was largely due to Mrs Thatch-

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Opec: oil price collapse Politics Today: UK nuclear

share option schemes . . . 16 Rowntree Mackintosh . . . 24

Spain: González wins but at Editorial comment: French

Management: fairness of UK Lex: Jaguar; Shell; BHP;

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Poland presses for credit from West

POLAND IS still looking to Western governments and commercial banks for credit this year in the wake of the agreement. initiatted last week with the Paris ctoh of creditor nations. That accord rescheduled \$2.4bn worth of payments falting due to West-ern governments this year.

Mr Zbigniew Karcz.
Poland's top financial negotiator, sald here this week that
the rescheduling programme
can be made to work on the
assumption that Western goveruments provide \$750m-\$thn in fresh credit this year. At the end of 1985, Potand's Western debt stood at \$29.3hn.

Two meetings with compercial banks this year have been devoted to exploring the possibility of new credit, Mr Karcz confirmed.

"With our application to the international Monetary Fund now well on its way and the Paris club agreement initialled, the path to new bank credits should be easier."

He saw "no organisational Poland's application shoold not be voted on within the next few months." He added that Warsaw had not objected to the SDR 700m (£539m) quota proposed by the EMF for Poland.

Referring to Western Polish debt service policy abould favour government and banks equally, Mr Karez said: "Our government is interested in the same thing

as the Western governments. "Even though the banks were the first to resume credit talks after martial law in 1982, they have indeed been sparing in their provision of fresh credit since then, even though Poland has regularly met all its commit-ments" he said.

Western commercial banks are expecting Poland to pay some \$1.5bn in capital and interest payments this year. The governments, despite the rescheduling, will also be pald "more than \$1bn" this year, said Mr Karcz.
This includes \$600m arising ont of rescheduling 1981

debts, interest on 1985 obligations, and part of the interest on other rescheduled pay-

Gonzalez wins Nato victory, but at some cost to his reputation

"EVERYTHING READY for the ceremony of confusion," proclaimed the extreme-right tainty with regard both to daily newspaper El Alcazar on Spain's international relations the eve of Spaio's Nato referen- and to the future of the present dum. The newspaper had joined Government the far left in calling for a Although l Ino to staying in the alliance. its abstention campaign, and if that option had won the day on Wednesday, El Alcazar might for once have hit the nail an for once have his the nail on the bead.

Instead, afer a vote which gave the Government a 13-point advantage for maintaining Nato membership, Spain's political scene is suddenly and unex-pectedly serene.

"The Nato issue

A "no" vnte would have opened a period of great uncer-

claimed a moral victory hecause 40 per cent of the electorate did not vote, Mr Felipe Gonzalez has demonstrated that after more than three years as Prime Minister be is still bead and shoulders above his political

The referendum—an event of his own creation, following his buried once and for all, said earlier opposition to Nato-a Socialist policy-maker yester turned into the biggest hurdle a Socialist policy-maker yesterday. "That is very important, of his career. The buge lastincluding from the right's point minute swing in favour of of view." In the sense that it has successfully closed the divisive Nato dehate, the referendum—despite the wear-andtear it has caused in party politics can be claimed to have served a purpose.

The buge lastminute swing in favour of outnumhered the "noes" by two major outnumhered the "noes" by two major of one. On the other hand, the again suit of from the industrial regions of the portal regions of the politics can be claimed to have served a purpose.

SPANISH STOCK markets, already riding on the worldwide surge in prices, reacted to the referendum result with records for daily rises yesterday. The Madrid general index climbed 6.78 points to show a 50.23 per cent rise since the beginning of the year. Even stronger increases were shown to Barcelona 7.49 points), Valencia (9.53) and Bilbao (12.71).

bis record in government to do so much real feelings about Nato so in the election and not in the referendum.

The biggest pro-Nato response came from Socialist-controlled regions of southern Spain—Castilla-La Mancha, Extremadura and Mr Gonzalez's own

tion later this year. Mr Gonzalez administration policies by prohimself bad begged the voters ducing "no" majorities.
who wanted to punish him for The overall result reflects not as the commonstase reflexes of the Spanish electorate, which in

the past 10 years of democracy

has consistently voted to keep

the country away from the threat of instability.

The sharp contrast hetween pre-election polls, which gave a majority of six or more ooints against Nato, and the actual result does not necessarily mean against Nato, and the action re-sult does not necessarily mean the polisters botched their job. In part, it shows the difference between the opinion people ex-press and the way they finally

out the pro-Nato vote, amid fears that a "no" result might and a Socialist MP, serve the ends of anti-democratic forces in Spain. The 6.5 per cent of blank ballots may have included numerous Socialist voters, opposed to Nato. who (rather than allow themselves to be counted among the ab-stainers of the right) withheld

their vole at the last moment.
The Government used all its hig guns and every argument it could marshal—even that leaving Nato would affect "our way of life as citizens"—to win the day. The peace movement can justifiably claim it was not fighting on equal terms.

Is would be logical for the Government now to wait until ment, the pro-Nato Diario 16 the autumn, when its four-year nandate expires, to hold the achieved at an excessive cost. mandate expires, to hold the general election. This would give it time to heal some of the wounds in the Socialist camp. Many supporters gave their sensus on peace and security votes only under duress, and policy. He is now duty-bound

leader of the UGT trade union

By converting the party majority to Nato, Mr Gonzalez bas completed the process of bring-ing it into the European socialdemocratic mainstream. But he is not undamaged by his own about turn in the issue, and the suspense of the referendum will experience.

The leading Madrid daily newspaper, El Pais, said yester-day that the Socialist party should not be carrying its head high but asking "forgiveness from a country which it forced to go through something it did not deserve." Echoing this senti-In a hid to repair divisions, Mr Gonzalez has proposed a post-referendum political con-

Negative opioion polls probothers voted against Nato-in- to stick to the conditions which ably belped, in fact, to bring cluding Mr Nicolas Redondo, he attached to the Nato vote. By integrated military command structure. Spain will keep its distance from the rest of Nato. il he

The Government can be expected shortly to propose ratification of the nuclear ronproliferation treaty. Mr Gonprofiteration treaty. Mr Gon-zalez has promised to maintain the ban on having nuclear weapons in the country. Ratify-ing the treaty would be the first time Spain has formally renounced the possibility of developing its own nuclear

weapon capacity. . As the pacifists, Communists and far left now turn their attention to Spain's US bases, the Government will be under pressure to obtain significant reductions in the 12,000-strong American military presence. Negotiations with the US are due to start before the summer. Having pinned the referendum to this promise, Mr Gonzalez now has to deliver.

David Marsh in Paris charts the election chances of two members of the famous French Dassault family

Man with the magic name has no need to campaign

Most of all, demonstrating add.
the life-long panache which has
won bim admiration across the re-elected to bis Beauvais seat,

date. Now that be is no longer decade-long fight to win election merely a legend but has entered in Essonne south of Paris, the realms of mythology, Mr Mr Dassault does not need to campaign. He simply exists, Election posters in the Oise region north of Paris—where Mr Dassault is heading the comblued right-wing Opposition list
—reter neither to the RPR nor
to the UDF party. They simply
hear the Dassault name and the cranial, hespectacled features of its owner in bow-tie and blazer

MR MARCEL DASSAULT has tional doyen's speech to open all the necessary qualities to inthe next session of the National crease his normal comfortable Assembly. The speech with its margin of victory in Sunday's equally traditional quixotic French general elections—
wealth, fame, extraordinary successions to the need for Gaulist-style national unity and the Eventh motors. cess in building very fast aeroplanes and a surrealistically cycle industry, is likely to be simple set of solutions for beating unemployment.

Cathleting latitude thing and thing and the french motorrebirth of the French motorcycle industry, is likely to be
little different to the onea he
made in 1981 and 1978, they

political spectrum, he stead-which he has held since 1958. fastly refuses to die. He will probably be joined in fastly refuses to die.

At 94, the founder of the will probably be joined in world-famous military jetson, Serge, a mere 60 and long maker which bears his name and in which he still has a 49 father but a captain of industry per cent stake is the oldest and probably most predictable candidate. Now that he is no longer father but a captain of industry in his own right. He seems likely at last to succeed in a date.

> of the Dassaults snows that as in many other democratic countries, money can buy political power. If confirmation were needed, it is provided by the uncompromising figure of the proportional representation by the uncompromising figure of President Francois Mitterrand Mr Robert Hersant, the right-to try to complicate the right's wing press magnate who is camchances of winning an absolute Electronique Serge Dassault in the party berd. In the proportional representation with the close the proportional representation by the proportional re paigning as number two on Mr Dassault's list in the Oise. But the Dassaults also show



Son Serge (left) and father Marcel . . . this time a successful

majority in the National military and civil electronics. Assembly has encouraged left company, which gives work to and right to nominate faceless about 80 companies in the

nts owner in bow-tie and olazer and olazer encrusted with the Grand-Croix that in a lacklustre election candidates from the party Essonne, tirelessly capitalises of the la Legion d'Hinneur, campaign, candidates offering hierarchy for safe departmental in the Dassault name in bis seats.

Aides say that Mr Dassault is concern for local issues have Under the previous system A butcher with fingers like France's bighest decoration. voters personality and genuine seats. well-financed election campaign, capacity for election walk- some half his age—alas,"

Aides say that Mr Dassault is concern for local issues have Under the previous system. A butcher with fingers like abouts. His one planned peratready working on the tradi- an appeal which marks them voters were asked to choose sausages who bad just finished senal cappearance. in the bation for big good works, "He

toral walk-ahout in the Beauvais on Monday night, was Arapjon market in the centre of called off because he had flu. Essonne last week was however unsure of the exact relation between the candidate and his most probably the next French Essonne last week was however

claims to be an economic liberal hut offers a string of interventionist inducements — including fullhearted support for farmers. small shopkeepers, artisans, mothers, train travellers and architecture lovers in his election platform.

famous father.

Not surprisingly for a member of a family which has made a fortune out of arms contracts. Dassault junior also calls for a lifting of all weapons embargoes outside the Soviet bloc and a significant locrease in French defence spending.

the head of a dissident right-wing grouping which is likely to give him around 10 per cer; of the departmental votes on Sunday — enough, under the PR system, to join his father in the Assembly.

As befits a man who has outlived many younger Oise political stablemates, Marcel

Prime Minister from ralsing prolonged applause from the noisy crowd in a circus tent when he paid homage to the A few hours earlier, outside

in the March sunshine, there was no doubting the attachment of the people of Beauvais to the man who, over the past few decades, has poured millions of francs into constructing parks and swimming pools, dispatch-ing cheques to local clubs and sending voters regular copies of his nostalgia, gushing glossy magazine, Jours de France.

Out of 12 local people randomly stopped in the street only one said anything unkind about Mr Dassault—although several thought he might be getting a bit old for the job.
"He's a good deputy—be sends packages to old people."

said one lady, berself getting on in years, belping a friend to trundle an antiquated wooden political stablemates, Marcel shopping trolley outside the has neither need, desire nor cathedral. "He's better than



has huilt a swimming pool-no, two," said one. "He's old, but not senile," said the other proof that, as France prepares for a change of government, genteel paternalism is still a force to be reckoned with.

FINANCIAL TIMES Physical Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, F. Batlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London. Printer: Frankfurter-Societist-Druckerei-GmbH, Frankfurt/Main. Resoonsible editor: C.E.P. Smith.

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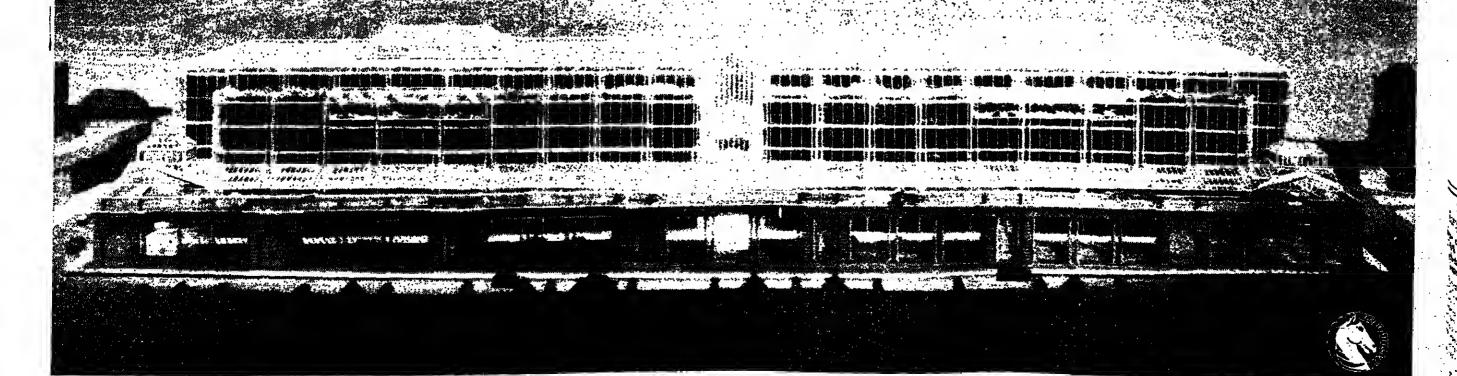
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ECONOMIC policy officials from the main industrialised coun-tries agreed in Paris yesterdoy that the benefits of cheaper crude oil needed to be passed on to consumers through cuts in petrol prices, in order to stimu-late world growth; David Marsh

de de la companya de

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Sir Geoffrey Littler, second Permanent Secretary at the UK Treasury and chalrman of the Organisation for Economic Co-operation ond Development's Working Party Three committee, said countries with "acute fiscal deficit problems" should make use of failing oil prices to raise tayer on petrol

But the general consensus among Working Party Three delegates from the top 11 industrialised countries was that the oil benefits should feed through directly to consumers,

French jobless fall French unemployment declined by 0.4 per cent last month on a

seasonally odjusted basis according to the Labour Ministry, writes Paul Betts. There were 2,367,000 people looking for work in February or 10,500 less than at the end of January. "Unemployment has now been stabilised for the past 15 months," the Ministry

Exchange controls

France is now in o position to aholish exchange controls to help create a unified European monetary market, occording to Bank of France Governor Michel Camdessus, Reuter reports from

M'Bow opposed

EEC countries have decided to try to block Mr Amadou Mahtar M'Bow's hid for a third term of office as director general of Unesco, Western diplomats told AP in Paris. His mandate ex-

pires next year.

Many Western nations bove criticised Mr M'Bow for mismanaging Unesco and supporting programmes with an anti-Western bias that led to with-drowal by the US and Britain.

Brandt inquiry

State prosecutors in Bonn said yesterday they were considering opening a formal investigation into whether Mr Willy Brandt, former. West German Chancellor and chairman of the opposition. Social Democrats, lied to a president of the constant of the consta lied to a parliamentary committee in late 1984 when he sald his Party had never received funds from the Flick industrial groop, Peter Bruce writes from Bonn.

Greek strike warning Greek industry has warned that a nationwide lorry drivers' strike, which entered its 24th day yesterday, is starting to affect production in many sec-tors, writes Andrlano Ierodia-conou in Athens.

Stoppage averted

The Cyprus Government has averted a series of strikes and lock-outs over the issue of cost of living allowance payments, writes Andreas Hadjipapas in Nicosia. A special committee is to study the indexing of wages and salaries and report bock by next September.

French agree on financing for TV satellite system

THE FINANCING programme for France's direct hroadcasting by satellite (DBS) system was completed yesterdoy clearing the way for the launch of the first satellite. TDF-1, by an Ariane rocket in November and of the second, TDF-2 in mid-1988.

Mr Francois Schoeller, chalrman of Telediffusion de France (TDF), the state broadcosting ogency, said the Government had agreed to consolidote FFr 440m (£44m) of loans advanced earlier to TDF and thot DBS customers would advance FFr 240m. advance FFr 240m.

The programme, launched in 1981, will have cost FFr 2.69bn of which FFr 1.14bn is in state subsidies or capital grants. Without this state support the DBS progromme would never have got off the ground, said Mr Schoeller.
TDF believed, however, that

the second generation of satel-lites would be economically viable on its own. This would involve an investment of FFr 3.78hn starting around

Four of the five television to receive programmes from channels have now been assigned. A European consortium, including Mr Robert Maxwell, Mr Silvio Berlusconi.

West German Kirsch group, has been given two channels. Another will go to the new French private Channel Five. The fourth channel will go to the French cultural network to the French cultural network, SEPT, while CLT, the Luxembourg broadcasting group, has been offered an option for the fifth. The first four are expected

Mr Jerome Seydoux and the

fifth. The first four are expected to come on the air next February; the fifth will start broadcasting after the second satellite is launched.

The commercial operators have a 17-year contract with an option to withdraw after eight years. The rental cost for eoch will he FFr 55m onnually for the eorly years, rising gradually by the twelfth yeor to FFr 127m. The latter rate would enable the system to operate without aubsidies, Mr Schoeller said. choeller said.

The broadcasting groups have olso agreed to invest obout FFr 200m hy 1989 to support the development of reception aeriols for viewers. Most of Western Europe ond part of the North African coast will be able

US super-computers for Germany, France

BY PAUL BETTS IN PARIS

THE UNIVERSITY of Stuttgart in West Germany will be taking delivery later this year of the first model of the US Cray-2 super-computer to be sold outside America.

Cray holds an estimated 70 per cent of the world market for very high-powered computers.

France will take delivery of its first Cray-3 in November of a scientific research centre south of Paris run by the Ecole Polytechnique and used by a variety of organisations for industrial, academic and military work.

Shipping of Cray computers to France has been held up by delays in processing export licences from the US as a result of worries in Washington about sensitive technologies passing to the East bloc. The incoming Socialist Govern-ment in Paris in 1981 faced a delay of about a year in winning authorisation for a Cray-1 computer destined for the military division of the Commissariat à l'Energie Atomique (CEA), the country's atomic energy

Even though the Cray-2 is six to 12 times more powerful than the Croy-I, Mr Robert Levy, the head of Cray's French subsidiary, said be did not foresee any hold-ups in delivering the latest computer.

Each Cray-2 costs about \$20m. Three of these models bave been installed in the US - at the National Aeronautics and Space Administration, the Lawrence Livermore laboratories and the University of Minnesota.

Of 115 Cray computers installed internationally at end 1985, 41 per cent are used for defence work. A total of 17 per cent were with oil companies and 11 per cent in aerospace applications.

France already has eight earlier Cray models installed - of which two are used by the CEA - com-The Stuttgart University Cray-2, being bought by the state of Baden-Wurttemberg, will be used by a number of universities to carry out research in nuclear physics, engineering and chemistry.

Further EEC aid for **British steel regions**

BY PAUL CHEESERIGHT IN BRUSSELS

SIX AREAS of Britoin, development. Regional Fund depressed by the rundown of spending under a scheme to the steel industry, are to help areas burt hy steel receive a further Ecus 12m industry restructuring through-(£7.7m) from the Europeon out the Community now totals Community Regional Fund, the Commission announced yesterday. They are Cleveland, Clwyd, Gwent, Humberside, South Yorkshire and Strath-

Ecus 66m since 1980 to belp industry.

planned to spend Ecus 19m this year on helping fund research projects directed towards tech-These areas hove received nical development in the steel

SECOND PARTIAL REDEMPTION NOTICE

In the Holders of

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12% Nates Due April 15, 1989

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the above-described Notes, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected for redemption on April 15, 1986 through operation of the sinking fund \$20,000,000 aggregate principal amount of Notes at the redemption price of 100% of the principal amount thereof, as follows:

OUTSTANDING BEARER NOTES OF \$5,000 EACH BEARING THE PREFIX "B" AND SERIAL NUMBERS ENDING IN THE FOLLOWING TWO DIGITS

-12 21 22 26 27 30 39 46 59 52 56 61 64 67 69 72 84 85 86 88 91 92 93 95 98 Oo April 15, 1986, the Notes designated above will become due and payable at the aforementioned redemption price and will be paid, upon presentation and surrender thereof together with all coupons appertaining thereto maturing subsequent to the redemption date, at the option of the holder, at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt Main. Landon and Paris and at the main offices of Swiss Bank Corporation in Basie and Kredietbank S.A. Luxembourgeoise in Luxembourge. Pursuant to the provisions of the Notes, no paymeots of bearer Notes will be made at any office or agency of the Company in the United States, by transfer to a bank account in the United States or by check mailed to an address in the

Coupons due April 15, 1986 should be detached and collected in the usual manner. On and after April 15, 1986, interest shall cease to accrue on the Notes herein designated for After giving effect to the above partial redemption, there will remain outstanding \$60,0000,000 aggregate principal amount of Notes.

GENERAL FOODS CAPITAL CORPORATION By: Morgan Guaranty Trust Company

Dated: March 11, 1986

Notice of Purchase European Investment Bank Issue of np to £75,000,000.— 10%% Bonds, due 1992, of which £50,000,000.—being issued as the initial tranche

Pursuant to the terms and conditions of the Loan Agreement, notice is hereby given to bondholders that during the twelve-morals period ending 14th February 1986, 21,200,000.—principal amount were purchased in salts section of the concerned Purchase Fund obligation.
Outstanding amount on 15th February 1986:

€46,700,000.-**European Investment Bank** Dated: March 14, 1986

Moscow Narodney Finance B.V. U.S.\$50,000,000

Guaranteed Floating Rate Notes Duc 1991 (Redeemable at the Noteholders' option in 1989) Irrevocably and unconditionally guaranteed by MOSCOW NARODNY BANK LIMITED

In accordance with the Conditions of the Notes notice is hereby given that for the Interest Period 12th March, 1986 to 12th September, 1986 (184 days) the Noies will hear interest at the rate of 71% per annum. The Coupon Amount per U.S.\$10,000 Note will be U.S.\$396,11 and per U.S.\$100,000 Note U.S.\$3.961,11. The Interest Payment, Date will be 12th September, 1986.

Agent Bank

Dautsche Bank Compagnie Financière Luxembourg

New foreign investment law for **Turkey**

THE Turkish Government yesterday introduced o new framework decree for foreign investment, replacing similar decrees issued in the early

Mr Turgut Ozal's Government is strongly in fovour of attracting foreign capital to Turkey, but the inflow so for has been relatively disappointing—about \$100m (£71m) in 1984 and 1985, with the typical investor being a small Middle Eastern trading company using the minimum investment of \$50,000. \$50,000.

The new legislation im-proves operating conditions for existing and new investors In manufacturing, by allow-ing export requirements to be waived completely and allow-ing the state planning organisation's Foreign Investment Department to anthorise matters which formerly had to be referred to the Council of

Ministers.
These include capital increases, changes in the field of a company's activities, and other changes in shareholding raties.

Export requirements have till now been high for many investors, ranging from more than 50 per cent for textiles to 409 per cent for food and beverage production.

However, it appears that companies will still hove to apply on a case-by-case basis to have export requirements dropped.
Further decrees liberalising

foreign currency and capital transactions including Decree 32 introduced by Mr Ozal soon after he took office in December 1983, are thought to be in the pipeline.

Moscow urges pact on satellites

BY WILLIAM DULLFORCE IN GENEVA

satellites circling the earth and

Soviet nuclear arms control ralks, Mr Victor Issraelyan, the Soviet ambassador, told the 40-nation UN conference on disarmament. He described it as a step from Stor Wars to Star Peace.

Defence initiative or Star Wars wars programme.

Our Moscow Correspondent adds: Mr Mikhail Gorbachev said yesterday that the Soviet Union will extend its ban on nuclear test beyond the March 31 expiry date as long as the

force or the threat of force. He added that it agree against objects in space, he said. to on-site inspection to verify a

Peace.

31 expiry date as long as the States would agree not to use US does not carry out any.

32 or the threat of force He added that it agree

The novelty in the proposal anti-satellite is that it links the question of immunity with Moscow's con-

This would help prevent an tinuing preoccupation with arms race in space and constopping the US Strategic tribute to progress at the US. Defence Initiative or Star Wars

This would only occur, bowever, if "unclear phenomena,"

needed to ba investigated.
The US, which has made reliable verification a key to o nuclear test ban and other arms control accords, has objected in the past that it wonts regular. reciprocal inspertions Soviet officials and comment-

ators seem certain to cite the extension as proof of Kremlin sincerity about arms control, and to contrast this with the alleged intransigence of the West

THE SOVIET UNION vesterday proposed that an international agreement he negotiated guaranteeing the immunity of satellites.

They would also undertake not nuclear test ban and that this would include allowing foreign would include allowing foreign morgaret Thotcher. The official inspectors on Soviet test sites.

This would only occur, bow-munist party daily newspaper, munist party daily newspaper, Praydo, have both denounced the British Government for what is viewed here as its un-reasonable rejection of Mr Gorbachev's proposals in Janu-ary on eliminating nuclear

weapons Citing Mrs Thatcher's determination to buy Trident missiles, to participate in the Star Wars programme and even ber handling of the Westland helicopter affair, Tass suggested that she had made Britain

The latest target for criticism

Finland hit by Carlsson holds Sweden biggest strike to Palme's course in 30 years

By Olli Virtanen in Helsinki SWEDEN'S NEW leader, Mr FINNISH industrial componies and all transport of goods were halted yesterday when the country's Central Organisation of Labour Unions (SAK) started ment and policies faithful to those of bis assassinated predecessor, Mr Olof Palme, promising to work for intera general strike despite a lastinute offer by the employers' national peace while safeguardfederation to cut working hours.
The country's biggest strike
in 30 years bit oll forest
industry companies as well as ing an open society, Reuter reports from Stockholm.

most large metal and engineering groups.

All Finnish ports were closed and domestic oir traffic stapped, apart from connections to four common values of this country, peace and freedom, ocracy and openness," he told Parliament.

and Maarianhamina. Chorter flights took off normally yesterday despite earlier wornings by SAK. Man-agement personnel ore operotthe traditional kingpins of Swedish society under social democratic rule—an extensive welfare system, sociol and economic justice, generous ing fire hrigade services at immigration policies and a steadfast policy of neutrality.

Helsinki airport and the nuclear power stations
The strike is expected to he short-lived. The employers' offer involved shorter annual working hours. The unions seemed willing to talk on the lessue but there was not arough Issue, but there was not enough time to come to an ogreement before the strike began,

"The Government will confngvar Carlsson, yesterday pre-sented an unchanged govern-nuclear-free zone in the Nordic region, and seek increased sup-port for the proposal of a corridor in central Europe free of tactical nucleor weapons," Sweden would continue to protest against violations of international law, he said, and

go on criticising the Soviet pre-sence in Afghanistan, South Africa's apartheid system ond US support for onti-government "We stand united in the rebels in Nicaragua.

At home, it would fight any

Mr Carlsson, who was Deputy tendencies towards racism and Prime Minister under Mr discrimination towards immi-Prime Minister under Mr discrimination (
Palme, promised to safeguord grants, he said. "In the present situation this sbould be emphasised with special force," be soid in a should reference to concern expressed by politicians that Mr Palme's murder could spark a backlash ogainst immigrants should the

He also pledged to carry on Mr Palme's efforts for peace ond nuclear disarmament: killer prove to he a foreigner. Mr Carlsson, will make his debut as Prime Minister on the "Every effort must be mode to international arena this week-reduce and in the long term end when bundreds of world leaders converge on Stockholm for the funeral, eliminate the threat of nuclear

Central bank cuts discount rate to 8.5%

Washington.

By Our Stockholm Corres THE SWEDISH central bank yesterday lowered the dis-count rate by one point to 8.5 per cent, the second reduction

tbis year. Mr Bengt Dennis, the governor, said that while ents hy other leoding central barks over the past week had facilitated the decision, it reflected the lowering of interest rates that had already occurred in that had already occurred in the money and capital markets

in recent weeks.

The reduction has also been made possible by the continuing strong inflow of capital into Sweden—some SKr 8.3bm (£758m) since the

beginning of the year. The bank is atili worried about he growth in private consumption, but the falling oil price and the weaker dollar are slowing the in-crease in imports and relieving some pressure on the current account. The latter is expected to show a modest surplus this year after o deficit of more than SKr 9hn

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of our consultants to call and explain how credit insurance can benefit your company.



Trade Indemnity

PRESIDENT Corazon Aquino of the Philippines Is under strong pressure from some ministers to repudiate commercial loans with foreign banks for projects involving bribery of Government officials in the deposed administration of Mr Ferdinand Marcos.

The move, led by some senior economic advisers during the election campaign who are now in the Cabinet, is part of a radical set of options under consideration which include a moratorium on interest and moratorium on interest and of the Philippines in September, such as Mr Jose Fernandez, the principal payments of cottmerical debt as a way of cutting the country's crippling loan burden. Other proposals include a celliform on the interest paid on the interest p

The Reagan Administration has agreed to help both Congressional and Filipino investigators trying to track down the hidden wealth of deposed President Ferdinand Marcos by providing them with copies of about 1.500 sensitive financial documents which Mr Marcos took with him on his flight to Hawali last month. The documents are thought to contain important clues as to the whereabouts of the Marcos personal fortune, which has been estimated at as much as \$10bn by the Aquino Government. The

papers were impounded by the US customs when Mr Marcos arrived in Hawaii. The Administration has agreed to supply copies of the documents to Mr Stephen the Democratic chairman of the sub-committee investigating Mr Marcos's financial affairs. Mr Solarz earlier this week threatened to subpoen the papers.
Copies will also be given to Mr Jc. to
Solonga, the bead of the Philippines commission trying to track down Mr Marcos's hidden

ing on the Interest paid on foreign debt and a drastic reduction in the country's debt service ratio.

of the Philippines in September, such as Mr Jose Fernandez, the ersity of her coalition and the

loans was "an alternative," but the consequences on foreign confidence would be enormous. confidence would be enormous.

"Repudiation" he added, "means letters of credit will not be bonoured and all transactions will have to be on a cash basis."

The open conflict between the idealists and the pragmatists in the Government over this and other interest underlines the diverse.

some responsibility. ernment has yet to formulate

the major issues facing the The Government is also likely to be advised against such a move by the IMF which has a team in Manila reviewing terms

Miss Monsod and her supporters represent the more elements within Mrs Aquino's administration, who feel that the international community must take some blame for the economic mess left behind by Mr Marcos. They justify their call for the selective repudiation of foreign loans by saying that banks which financed contracts which were grossly overpriced to allow officials in the Marcos government to receive bribes must take

 The New Society Movement (KBL) party of Mr Marcos decided yesterday to sever all links with the deposed President in an effort to clean up its tarnished image. The party's leaders met in Manila and said it would change its name, elect new leaders. formulate new policies and try to win back the nearly 50 members of parliament who defected

Leading the move is Miss Solita Monsod, the new Director General of the National Economic Development Authority, a cabinet post. Miss Monsod was one of the principal authors of a staff paper at the University inconsistent with what we are "Repudiation" he added, "means letters of credit will not be be on a cash basis." Out of a total foreign debt of S26bn the Pbilippines owes of \$26bn the Pbilippines owes of the principal authors of a staff paper at the University of the cash of credit will not be be on a cash basis." The move is opposed by the action of the principal authors of a staff paper at the University of a staff paper at the University of the cash of credit will not be be on a cash basis." The move is opposed by the action of the existing standby facility and preparing the ground for the next package. The IMF's the open conflict between the of the opposed by the action of the existing standby facility and preparing the ground for the next package. The IMF's the open conflict between the or opposed by the opposed by the action of the existing standby facility and preparing the ground for the next package. The IMF's the open conflict between the opposed by the op Philippine parallel that may be misleading

AS FORMER President Ferdinand Marcos, along with his minious and bis millions, concorruption mand Marcos, along with ms minions and bis millions, contemplates the years of enforced retirement ahead, be might be forgiven for feeling just a little hard done by. After all, he hardly had a monopoly on the lindiscreet use of power in the south-east Asian region.

This week, President Suharto of Indonesia celebrates 20 years as leader of the world's fifth most populous nation. Many, both inaide and outside Indonesia bave been quick to draw parallels between one recently deposed veteran leader and another still very much in selections between deficiency. Western creditors once the state budget.

Western creditors once the state budget. the state budget.

another still very much in

Throoughout bis term in The first family itself has office Mr Suharto's administration has been tarnished by allevarious well-publicised anti-corruption campaigns, there is a widespread belief in Indo-park. nesia that high level corrup-tion persists. An official once office ends in 1988 and at 65, estimated that waste and he is both a younger and fitter

between 30 and 40 per cent of

army days, are in key positions

gations of corruptioo. Despite successful fund raising activities

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NOTICE OF REDEMPTION

Transco International N.V.

151/4% Guaranteed Notes due 1987

Notice is hereby given pursuant to Section 1004 of the Indenture dated as of April 15, 1982 between Transco International N.V. and Transco Companies, Inc., as Guarantor, and Manufacturers Hanover Trust Company, as Trustee, that all of the outstanding 154% Guaranteed Notes Due 1987, of Transco International N.V. ("Notes") have been called for redemption on April 15, 1986 (the "Redemption Date") at 100.5% of the principal amount thereof ("Redemption Price") plus accrued interest to the Redemption Date.

thereof ("Redemption Price") plus accrued interest to the Redemption Date.

Payment of the Redemption Price plus accrued interest to the Redemption Date will be made in such come or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Payment will be made by a check drawn on Manufacturers Hanover Trust Company in New York City or by a transfer to a dollar account maintained by the payee with a bank in New York City.

The Redemption Price of \$1,005 per \$1,000 Note, shall become due and payable upon surrender of the Note (a) at the Corporate Trust Office of Manufacturers Hanover Trust Company, either at, 130 John Street, Street Level, New York, New York, if by hand or to Coupon Paying Department, P.O. Box 2962, G.P.O. Station, New York, New York 10116, if by mail or (b) subject to any laws or regulations applicable thereto in the country of any of the following offices, at the main offices of Manufacturers Hanover Trust Company in London and Zurich, of Manufacturers Hanover Bank/Belgium S.A. in Brussels, and of Manufacturers Hanover Bank Luxembourg.

Notes surrendered for redemption should have attached all unmatured coupons appurtenant thereto. Coupons due April 15, 1986, should be detached and collected in the usual

tenant thereto. Coupons due April 15, 1986, should be detached and collected in the usual manner. From and after April 15, 1986, interest shall cease to accrue on the Notes.

Withholding of 20% of gross redemption proceeds of any payment made within the United States is required by the Interest and Dividend Tax Compliance Act of 1983 unless the Paying Agent has the correct taxpayer identification number (social security or employer

identification number) or exemption certificate of the Payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.

Dated: March 14, 1986

Transco International N.V.

By: Manufacturers Hanover Trust Company,



Suharto analogies with Marcos apply

man than Mr Marcos. But he shows the same disinclination to step down from office or

name a successor. But though such parallels

are tempting, there are crucial differences. Mr Suharto, belped by a big growth in oil revenues, has presided over a period of considerable economic develop-ment. There are none of the food queues, there is none of the chaos of the last years of former President Sukarno.

A country which was until recently the world's largest rice importer has become self armed sufficient in its staple food. The Benny Indonesian economy is seen by the international financial community as being soundly managed and prudently run. Though growth had dropped back to between 3 and 5 per cent in recent years, progress

has been impressive.

Mr Subarto's style is very different from that of Mr Marcos. Hollywood antics do not exist — Mr Suharto is quietly measured, the "smaling general" who personifies the Javenese rulers of olden times. But there is also considerable But there is also considerable toughness and cunning.

Above all Mr Suharto has ruled over a society more care-fully controlled than in the Philippines. Very little of the criticism allowed under Mr Marcos would be tolerated in Indonesia, The military and a multitude of Government

multitude of Government organisations keep a careful watch on potential opponents.
"We do not believe" says armed forces chief General Benny Murdani, "in western liberal ideas of opposition."
"Il is ioconceivable that the international media and foreign international media and foreign observers would be allowed the sort of access bere that they had in the Pbilippines." said one Indonesian academic. Nor would Indonesia allow the US
to interfere: Washington remains a firm friend, but conducts a strictly "bands off"
policy towards Indonesia.

Mr Suharto, unlike Mr Marcos, does not face the prospect of adjusting to life after the US rug is pulled from under him.

acts to steady pound

BY NORA BOUSTANY IN BEIRUT

LEBANON's central bank's levying a 20 per cent commis-first-ever issue of Treasury bills' levying a 20 per cent commis-direct to the public was, sion for the handling of such transactions. But the central bank judged that this would the Lebanese pound and finance Government spending, a senior official said vectorday.

one of four vice-governors at the Banque du Liban explained that the measure, decided at a secret meeting of the bank's monetary policy committee, had been recommended in January by the International Monetary Fund. It was aimed at control-

Wild speculation against the Lebanese pound by banks and individuals lacking other profitable investment outlets pushed down the exchange rate of the pound to an all-time low of £27.50 to the dollar in trading

with direct sales this week With the belp of a media

Charge d'Affaires in Kabul, bad been Instructed to return campaign lo explain the advan-tages of Treasury bills as a "new financial product," the central bank has been able to raise Lebanese £300m (\$15.5m). Central bank officials said they were pleased with the outcome and expected a bigger response next week.

next week.

Te central bank moved swiftly last mooth to deter speculation by demanding that banks raise their reserve requirements from 18 to 22 per cent. "Monetary policy this year will be restrictive." Bouldoukian added. Treasury bills have always been the instrument for domestic borrowing to belp cover most of Lebanon'a public debt, estimated at Lebanese £50m at the end of last year.

bills and one year bills respec-tively.

In the past, commercial banks were the exclusive agents for such bills, The Lebanese

Beirut central bank

official said yesterday. Mr Megerditch Bouldoukian, ling liquidity in the banking system, he added.

the note.
"We have not bad, since the Soviet invasion of Afghanistan, normal government to government dealings
"As a matter of principle
our dealings bave been at
only protocol level. The protest note apparently originated from a political department and could not be accepted."

last month.

During meetings in Paris in January, the International Monetary Fund recommended that selling (Treasury Bills) to the public at large should atart somewhere, Mr Bouldoukian said.

The vice-governor stressed that the central bank's role was to encourage saving and

said.

Offering a base interest of that Treasury bills, being renumerative, riskless and spield 18.85 per cent, 19.76 per cent and 21.95 per cent for three-month bills, six-month bills, six-mon

BASE LENDING RATES

DAGE MEIN	P.1.4 1
ABN Bank 123%	Grindlays Bank
Allied Dunbar & Co. 124%	■ Guinness Mahon 124%
Allied Irish Baok 121%	Hambros Bank 123%
American Express Bk. 121%	Heritable & Gen. Trust 121%
Amro Bank 121%	Hill Samuel \$1216
Henry Ansbacher 121%	C. Hoare & Co 123%
Associates Cap. Corp 121%	Hongkong & Shanghai 121%
Banco de Bilbao 121%	Johnson Matthey Bkrs. 1210
Bank Hapoalim 121%	Knowsley & Co. Ltd 13 %
Bank Leumi (UK) 121%	Lloyds Bank 123%
BCCI 121 %	Edward Manson & Co. 134%
Bank of Ireland 124%	Megbrai & Sons Ltd 1210
Dank of Commerce 1910	Midland Bank 1216
Bank of Cyprus 121%	■ Morgan Grenfell 124%
Bank of India 121%	Mount Credit Corp Ltd. 121%
Bank of Scotland 121 %	National Bk. of Kuwaii 121%
Banque Belge Ltd 121%	National Girobank 124%
Terriavs Bank 14970	Nadonal Westminster 121%
Beneficial Trust Ltd 131%	Northern Bank Ltd 1210
Brit. Bank of Mid. East 1210	Norwich Gen. Trust 123%
Brown Shipley 121%	Peoples Trust 131 %
CI. Bank Nederland 125%	PK Finans. Intl. (UK) 131%
Conada Permanent 121%	Provincial Trust Ltd. 134%
Cayzer Ltd 12105	R. Raphael & Sons 121%
Cedar Holdings 13 %	
= Charterhouse Japhet 13*%	Roxburghe Guarantee 13 %
Aleibank NA 124%	Royal Bank of Scotland 1210
Adhenk Savings 12:1%	MOTER AT MADE CO. COMMENCE AND IN
City Merchants Bank 124%	Standard Charlered 1219
Clydosdale Bank 125%	TCB 121%
C. E. Coates & Co. Lld., 13 %	Trustee Savings Bank 121%
Comm. Bk. N. East 1219	United Bank of Kuwait 121%
COMM. DA. IV. Edst 12 7	United Mizrahi Bank 121%
Consolidated Credits 1215	Westpac Banking Corp. 1215
Continental Trust Ltd. 1216	Whiteaway Laidlaw 13 %
Co-operative Baok*1210	Yorkshire Bank 124%
The Cyprus Popular BK. 124%	Members of the Accepting Houses
Duncan Lawrie 125%	Committee.
т т Trust 13 %	• 7-day degosing 8 70%. I-month
Eveter Triist Ltd 13 %	9.80%. Too Tier—£2.500+ at 3
trinancial & Geo. Sec. 124%	months notice 12.06%. At call
First Nat. Fig. Corp 134%	when £10,000+ remains deposited.
First Nat. Sec. Ltd 131%	# Coll degrains £1,000 and over
Robert Fleming & Co. 1217	5% grees. 9 Mortgage base rate.
Robert Fraser & Ptrs. 131%	6 Demand dep. 83%. Mortgege 13%.
Kobsk Limer grave 19130	2 aski adia. mortgage 19:6:

Nakasone steps up **Battle for** power splits drive for Japanese Israeli involvement in SDI right wing

By Andrew Whitley in Tel Aviv

since the dramatic resignation

in September 1983 of Mr Menachem Begin, its found-

ing father—was remarkable for its verbal and physical

Supporters of the rival con-tenders for key party posts traded blows on the conven-

tion floor as their leaders on the podinm swapped vitriolic insuits. But the earlier than

expected break-up of the con-vention finally came when the

Shamir-Levy camp attempted a procedural coup which

woold bave given them con-trol over the conference and its powerful cammittees.

Ideology was not at issue in the ractions; each of the three

contenders for Mr Shamir's post as party and Liknd leader take a similar hard line on

foreign policy issues. This was simply a naked struggle

for control over the party ex-pected to take command of Israel in seven month's time.

Both sides were bloodied. But Mr Shamir, lacking the

charisma of his predecessor and patently unable to exer-

cise control over Hernt's un-

raly, mostly ortental Jewish members, was undoubtedly the big loser from his first real test as party leader.

Britain ignores Kabul protest

BRITAIN has returned, manswered, a diplomatic note from Afghanistan protesting at the decision of British Premier Mrs Margaret Thatcher and Sir Geoffrey

Thatcher and Sir Geoffrey Howe the Foreign Secretary, to receive an Alghan resis-tance leader, Mr Abdul Haq,

Agencies report.
A Foreign Office spokesman sald yesterday that Mr

Tel Aviv.

ISRAEL'S right wing Herut Party appeared yesterday to be irrevocably split, following a deadlocked battle for power Japanese Prime Minister, this research week significantly escalated his campaign for Japanese particlin his favour is the extent to pation in the US Strategic De-which SDI is about to loom large at a key party convention in fence Initiative (SDI). But in bilateral relations there remain considerable This week in Wash doubts that he will be able to carry his Government with him Defence Secretary. The convention broke up in disorder in the early hours of Thorsday morning after three days of mounting clashes beas speedily as he would like. The Prime Minister's prefer-

tween rival factions led by Mr Yitzhak Shamir, the Israeli Foreign Minister, and Mr Arlel Sharon and Mr David ence is to have Japanese commitment to SDI wrapped up before US President Ronald Reagan comes to Tokyo in early Mr Shamir, who is also head May for the economic summit. of the Herut-dominated Likud But a senior Foreign Ministry of the Herut-dominated Likud bloc, is due to take over from Mr Shimon Peres as Prime Minister in October under a official yesterday emphasised that disagreement on the timing of such a move, if less on the substance, was still strong. power-sharing rotation agree-

"Some want a decision be-fore the summit." be said, "and some feel it is too important a decision to take in a burry. At ment
Even by the rongb-andtumble standards of Israeli
polities, the chaoue Herut
Party convention—its first present, the latter school is in the majority."

It is widely believed that Mr Shintaro Abe, the Foreign Minster and a candidate to succeed Mr Nakasone as Prime Minister

Mr Yashuhiro Nakasone, the West Germany in joining SDI What Mr Nakasone may have price

This week in Washington Mr Caspar Weinberger, the US Defence Secretary, bas been urging Japanese participation on a visiting delegation from the opposition Komeito Party. At the end of the month, a third Japanese mission, comprising Government officials and potential Japanese contractors, is to go to the US. Mr Weinberger is due bere early in April, while Mr Nakasone is to confer in Washington with President Reagan in the middle of next

In Diet testimony this week, Mr Nakasone laid out what be considers to be five principles for Japan to follow in the SDI debate. They included the belief departe. They included the obtain that SDI should not be used in pursuit of unilateral military ascendancy and that the US development and deployment of the system should only be car-ried out in full consultation not later this year, favours caution.

Domestic political tactica may well be a determining factor when Japan follows the UK and the Soviet Union.

Sri Lanka pledges to end air attacks and begin talks

All air altacks on targets in the Tamil northern province will cease from tomorrow, the Sri Lanka Government announced yesterday. Mr Lalith Athulathmudall Als. National Security Minister, added that if operations by armed Tamil separatists ended, the Government would open negotiations, direct or indirect, formal or informal with Tamil gronps

newspaper that Sri Lanka bad done "too little, too late" to field a solution to the problem.

Mr Gandhi, who has played a must come out strongly in favour of a political settlement. He hinted strongly that be may withdraw from his role aa mediator.

Mr Athulathmudall said that formal with Tamil groups besed in Madras, Sonth India. This would include those organisations branded by the Government as "terrorists." India the Tamils would begin by the Sinhalese and Tamil New Year on April 13.

The minister's press conference followed a Government slatement reiterating its "firm and unqualified commitment" to a political settlement of the island's ethnic conflict which last year claimed over 1,200, which citizens lives chiefly civilian, lives.

Community leaders in Jaffna

terrorists." Tamil citizens The official statements came committees have accused the after Indian Prime Minister Government of using foreign Rajiv Gandhi told an Indian mercenaries as pilots.

Two die in Sabah fires

TWO people died in fires started by arsonists and three more bombs rocked Kola Kinabalu, the capital of the east Malaysian state of Sabah yesterday as Moslem opposition leaders continued to press for the removal of the Christian-led Government of Chief Minister, Datuk Pairin Kitingan, reports Wong Sulong from Kuala Lumpur.

Police were not able to say political campaign to topple the elected state government."

The three bombs, which went off at a busy shopping centre in Kota Kinabalu, dld not injure anyone. On Wednesday, injure anyone. On Wednesday, injuring four people.

Leaders of the opposition Moslem United Sabah National Organisation (USNO) said they would continue to organise demonatrations against Datuk

Police were not able to say whether the fires were politically motivated. However, a senior aide to Datuk Pairin unless the Federal Government intervened to break the political impasse. They want Kuala Lumpur to

the latest in a continuing impose direct emergency rule.

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Paymant of the Rademption Price will be made upon presentation and surrender of the Notes, together with all appurtenant coupons maturing subsequent to the Redemption Date, all any of the following paying agencies:

al any ol the lollowing paying agencies: The Chase Manhattan Bank, N.A. Corporate Band Redemptions 1 New York Plaza, 14th Floor

> Credit Lyonnais 19 Boulevard des Italiens 75002 Paris, France Union Bank nt Switzerland **68 Freie Strasse** 4051 Basle, Switzerland

New Yark, New Yark 10081

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> Banque de Commerce 51/52 Avenue des Arts Brussels, Belgium Banque Internationale a Luxembourg S.A. 2 Boulevard Royal nbourg, Luxembourg

Cnupons which shall mature nn, nr ahall have matured prior to, said Redemption Date shall be datached, and surrendered for payment in the usual manner.

shruld be dalached, and surrendered lor payment in the usual manner.

Payment pursuant to presentation of Notes for redemption to the paying agent in New York, New York, or other payment made within the United States, including by transfer to a United States dollar account maintained by the payee with a bank in the Borough at Manhattan, the City of New York, may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding at 20% of the gross proceeds (including premium) if the payee fails to provide the paying agent with an executed IRS Form W-8 in the case of a non-U.S. person or an executed IRS Form W-9 in the case of a U.S. person. No such backup withholding will be required in the case of presentation at Notes tar redemption with a paying agent nulside of New York, New York, it payment is made outside the United States. Information reporting to the IRS will only be required upon such payment made outside the United States if made to a U.S. person in certain circumstances. Those holders who are United States if made to a U.S. person in certain circumstances. Those holders who are required to provide their correct taxpayer identification number on IRS Form W-9 and who fail to do so may also be subject to an IRS penalty of U.S. \$50. Accordingly, please provide all appropriate certification when presenting the Notes for payment.

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Crocker takes firm line against **Pretoria**

By Regionid Dale, US Editor in Washington
MR CHESTER Living US
Assistant Secretary of State for
African Afrairs, has delivered
one of the Reagan Administration's toughest attacks so far
one the Pretoria Government

and, apparently for the first time, specifically stated that the

US favours black majority rule in South Africa. Testifying before the House Foreign Affairs Subcommittee on Africa, Mr Crocker also, sur-prisingly, said that the Admini-stration regards militant mem-hers of the African National Congress as "freedom fighters Congress as "freedom fighters in the generic sense." The term "freedom fighters"

has hitherto been reserved by the Administration to denote approval of anti-communist rebels in countries such as Nicaragua and Angola, where the rebel Unita "freedom fighters" are in fact allied with the South African Government. Mr Crocker, the Administra-tion's senior official for African affairs, denounced the Pretoria Government as guilty of a deli-berate "sham" in signalling willingness to negotiate with the country's black majority while imposing restrictive banning orders on black leaders.

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He said that the US "con dems in the strongest possible fast as bealthy banks. The FDIC terms "Tuesday's banning orders against Mr Henry Fazzie and Mr Mkhuseli Jack, two moderate hlack leaders, who were just the kind of men who could help to defuse racial tension in the country.

sion in the country.

Mr Crocker replied affirma-tively when asked if the Administration's policy implied black majority rula, with safeguards for the white minority, a point nn which US officials have usually been distinctly evasive in the past, Mr Howard Wolpe, the committee's Democratic chairman said that this was the first time that any high-ranking Administration official had publicly endorsed majority rule in five years of testimony before

A State Department spokesman, however, said the Mr Crocker had not meant to break new ground in his statement and had simply meant that a democratic constitution, which the Administration has long urged, "implies majority rule with built-in protection for minority rights."

Summit delay considered

By Our US Editor. PRESIDENT REAGAN yester-day for the first time indicated that he was prepared to con-sider bolding the next US-Soviet summit much later this year than originally envisaged, per-haps in December, but reiterated his strong preference for a meeting in Washington in June or July.

Mr Beagan repeated, in an interview with the Baltimore Sun, that a Soviet suggestion of September was "very difficult, inconvenient for us." because it would be too close to the US mid-term congresto the US mid-term congressional elections in early November. "It must be earlied before we actually get into the full extent of that election campaign," he said.

Asked, however, whether a date after the election would be possible, Mr Reagan replied that "we'd listen to that and

that "we'd listen to that and

'Risky' banks to pay doubled premiums for federal insurance

System (FDIC), which insures put an unusually beavy burden the deposits of Amarica's 15,000 on the FDIC to decide which banks, plans to charge troubled banks are "risky" and should banks double the normal premium for deposit insurance.

The problem of reforming the mium for deposit insurance. The move to a risk-based

deposit insurance system was one of several major changes in the US deposit insurance system unveiled yesterday by Mr Wllliam Seidman, the recently appointed chairman of the appointed chairman of the FDIC. His agency announced earlier this month that it had set aside \$2.3hn to cover last year's record number of hank failures and tho FDIC has for some time been seeking ways to force trouhled banks to shoulder a higher hurden of the cost of deposit insurance.

deposit insurance.

Speaking in front of the Senate Banking Committee yesterday. Mr Seidman called for a two-tiered, risk-based premiom for deposit insurance that would require "risky" hanks to pay 2/12 of 1 per cent of their domestic deposits to the FDIC instead of the current 1/12 of

I per ceot.

Banks whose operations are found to be "risky" by the FDIC would be forced to pay the higher premiums and this would curh their ability to expand as

THE Fedoral Deposit Insurance lieve that idea is flawed and will

US deposit insurance system is one of the central questions currently facing US banking regulators. The 1984 run on Continental Illinois, the eighth higgest US hank, underlined the very serious problems with the cur-rent systom of deposit insur-

ance.
The cost of the FDIC-led rescue of Continental Illinois has not yet been calculated hut it could well run into the hillions of dollars range and this has forced the FDIC to reconsider ways of mounting a rescue of large troubled hanks. One of the problems of the Continental rescue was that local Illinois hanking laws prevented a healthy out-of-state bank from taking over Continental until it was too late.

Mr Seidman yesterday called

on Congress to change several laws which would facilitate its handling of hank failures. He requested that the FDIC be allowed to operate a hank for a limited period of time as a "bridge" hefore a new owner could be found to take over tho failed hank. At the moment the FDIC only becomes involved after a hank has been closed by the regulators.

Joe Mann reports on the effect of the oil price fall on Venezuela

Caracas scales down its horizons

How're we going to survive?

overstating While dilemma, this song, recently on one of Caracas's most popular television satire programmes, reflects the concorn of many venezuelans and foreigners about the country's future. The recent collapse of oil prices has sent shock waves through the nation, pushing the Venezuelan currency to its weakest point ever and raising questions about the Government's ability to meet domestic and foreign ommitments.

Before the price collapse, the

Before the price collapse, the Admioistration of Presideot Jaime Lusinchl projected oil export earnings of around \$12.6hm for 1986, slightly below those in 1985. Since January, however, Petroleos de Venezuela, the state oil monopoly, has been forced to cut prices repeatedly. repeatedly. The average price for the

country's oil exports now stands at about \$16,50 per barrel, compared with \$25.8t in 1985. No-one knows how much oil earnings will be this year, but the Government recently said it now expects a level of around \$8.5hn. Although the Administration counts on another \$3bn from other sources, around 60 per cent of its reveoues come from

oil taxes, and petroleum exports last year accounted for 90 per foreign cent of total exports.

In comparison with the rest \$20hn, out of total public-sector of the developing world, how- deht estimated at \$25.7bn.

VENEZUELAN ECONOMY GDP (percentage change) Oil exports (barrels/day) Current account surplus (Sm) 13,740 12,4
Current account surplus (Sm) 3927 5,2
Unemployment (per cent) 12.1 13
Source: Centrel Bank of Vanezuela, Presidential message to Congress

ever. Venezuela still enjoys an enviable position. Even though the domestic economy has been in a recession since the end of the 1970s and unemployment currently stands at the uncom-fortable level of around 12 per cent, the external accounts are io excelleot shape aou a major debt-restructuring agreement was recently signed with

Venezuela onded 1985 with a current account surplus of \$3.9hm, high foreign currency reserves, now at \$13.6bm, and an Inflation rate of 9.1 per cent, which is not viewed as a serious

Although the long recession has lowered the standard of living for most Venezuelans, the country does not suffer from widespread poverty or from political or social up-Even if oil exports this year fall below the Government's current target of \$8.5bn, revenues plus reserves still give a considerable margin of safety.

Of course, the Government has acquired some substantial commitments. It has signed a deht-restructuring agreement

Aside from paying \$4.38hn this year to service its own foreign deht, the Government is supposed to provide large sums of foreign currency to private-sector borrowers at subsidised exchange rates so that they can repay foreign loans.

The Administration must also pay for merchandise imports, worth \$6.6bn last year, and pump dollars into the free ex-change market. Even more important, it must make sure it has enough left over to pay for domestic current spending and

Priority is being given to development projects and a programme aimed at creating tens of thousands of new jobs, stimnlating demand and moving the economy into positive growth. Mr Lusinchi has faced heavy issue, now formally resolved after three years of uncertainty. The chief opposition party—the Christian Democrats (Copei) asked the Government to delay

the debt restructuring agree-ment until the petroleum out-look becomes clearer. Other opposition groups, some labour leaders and even members of leaders and even members of investment. It is a serious the President's Democratic criticism of the Government's Action party pushed publicly approach.

and privately for more time or

for re-negotiations.

The government, however, was eager to "normalise" the debt situation in order to re-establish its international credit rating and lower overall deht service costs, and signed the restructuring agreement late last

The most frustrating element the most frustrating element for the Government is the fact that by choosing to pay the banks, it wil lhave far less money to spend on a still-flagg-ing domestic economy. Mr Lusinchi, a pediatrician turned politician, was elected to a fiveear term in 1983 on a platform based on the promise of restoring growth and reducing un-

The President has been unable to spur any significant domestic growth, but has balted the decline and boosted output in areas such as agriculture and

ditions, it should be able to pay its debts, and move ahead using its own financial resources, sup plier credits and some new borrowing. But unless the Lusinchi administration wants to face several more years of near-zero economic growth, it must take steps to ancourage private sector confidence in the

cooomy. After more than two years in office, Venezuelan citizens still prefer to keep billions of dollars offshore, at a time when their nation is in serious need of new

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Reagan denies pressing for shuttle flight

PRESIDENT Ronald Reagan has denied persistent reports that the White House put pressure on the space agency Nasa to launch the ill-fated shuttle Challenger on January 28 so it could be mentioned in

that night.
In an interview published yesterday in the Baltimore Sun. Mr Reagan said the White House had never pushed the space agency to meet schednles

for shuttle launches.
However, White House officials have acknowledged receiving a Nasa recommendation in early January that the President mention in his speech the voyage of Mrs Christa McAuliffe, the "teacher in space." Mr Patrick Buchanan, the White House Director of Communications, told the New York Times that Nasa's recommendation was just one re-ceived among several from 18 federal agencies.

The Challenger was to be mentioned in the State of the

Union only in connection with an experiment prepared by a collego student which was to be conducted on the flight,

Meanwhile, the Congressional Budget Office (CBO) has estimated that it will cost \$5bn ovor five years to construct a new shuttle and diversify the space programme to include more un-manned booster rockets.

Peru to pay interest to bank creditors

By Peter Montagnon,

Peru has promised to make an interest payment to its commercial bank creditors next month, the first on its medium term deht since President Alan Garcia took office last year.

The commitment was mad at a meeting earlier this week between Dr Gustavo Saber-bein, head of the External Debt Committee, and the Citibank-chaired committee of leading creditors.

Bankers said that Peru did not specify the amount it would pay, but the move is scen as a gesture of goodwill designed to prevent a further deterioration in relations between the two sides. Arrears on interest now 4 \$400m (£272m).

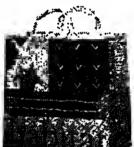
The payment is in any case expected to be a token one as Peru continues its policy of limiting debt service payments to 10 per cent of

Dr Saberbein also told the bankers that Peru would present new proposals for restructuring its \$14bm foreign debt by early June at the latest. What is unclear, bowever, is whether this will be backed up by a revision of its current policy of refusal to adopt an International Monetary Fund economic Monetary Fund eco stabilisation programme

US retail sales down US retail sales fell 0.1 per cent in February after a 0.2 per cent decline in January, the Commerce Department reported yesterday, Reuter writes from Washington.

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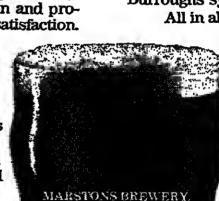
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their daily work. Combining data processing applications with Office automation solutions.

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GARCIA VISITS ARGENTINA

Mixed reception for Peruvian razzmatazz

BY JUMMY BURNS IN BUENOS AIRES

IT TAKES two to tango, but one wife, Argentine-born Pilar partner can always step on tha Nores, and "Evita." Gen Peron's other's toes. Such a thought has wife, who campalgned on behalf

by the political implications of Mr Garcia's attempts to rival Mr Raul Alfonsin in his battle for the hearts and minds of Latin the hearts and minds of Latin Radical Party is immarsed in a Americans on the issues of debt major parliamentary debata over

for his international efforts from other Latin American govern-The big debtors have so far time press, Mr Garcia strikes a steered clear of unilateral action much younger and impressive

steered clear of uninteral action
against creditors, and no one has
offered troops for the proposed
peacekeeping force on the
Nicaraguan border as quickly
as Mr Garcia has done.
But Mr Garcia has some powerful allies. Recent posters printed by the Argentine trede

union movement proclaimed: "Alan Garcia, the president we The opposition Peronist Party has eagerly struck a common

other's toes. Such a thought has been troubling Argentine officials as they prepare to host the state visit by President Alan Garcia of Peru.

On the surface there is much that hinds Argentina and Peru. Quite apart from strong historical ties dating from Spanish colonial times, the two countries have governments committed to parliamentary democracy, regional peace, and Latin American unity.

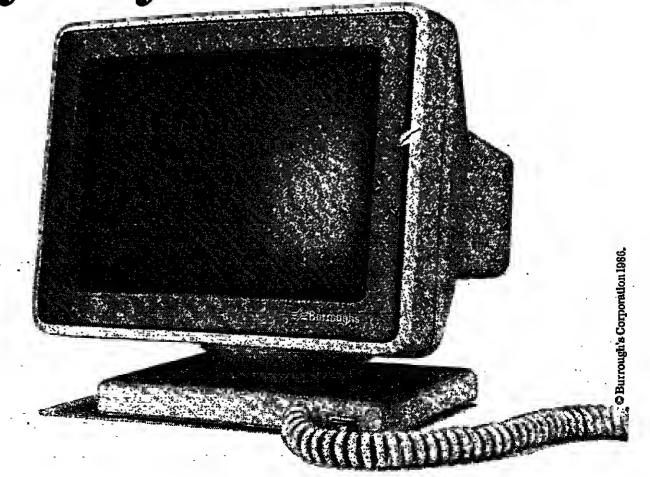
But Buenos Aires is worried by the political implications of

Argentine officials privately admit that they could well do without such razzmatazz at a time when Mr Alfonsin's ruling and Central America, the government's debt policy, and when the unions here are gearing up for their next secured only lukewarm support In the official photograph dis-

tributed enthusiastically by Peruvian officials to the Argenfigure than Mr Alfonsin who on Wednesday celebrated his 59th hirthday. But it is not in Mr Alfonsin's style to passively allow his Peruvian rival to steal

the limelight. This evening, Mr Garcia will lay a wreath at the feet of Gen San Martin, Argentina's military hero to whom Peru ower its 19th century liberation from Spain. On Sunday he will visit the northern city of Cordoba, cause between the populism of Mr Garcia and the "golden years" of the late General Juan Peron. Parallels have also been founder of Mr Garcia's Apra drawn between Mr Garcia's party.

never happen. It allows you to expand 120 But the way they save it doesn't.





Riyadh is usually somewhat transactions to almost 2240.

Oblique in its pronouncements, if not actually inscrutable But the little publicised text made the little publicised text made replenishing, but in practice, it categorically clear that the Kingdom believes that the slide in prices has gone far enough.

The timing also indicated that Saudi Arabia is looking to the ministerial conference of All that is certain is that

the ministerial conference of All that is certain is that the Organisation of Petroleum there will be as bruising a

the Organisation of Petroleum there will be as bruising a Exporting Countries (Opec) starting in Geneva on Sunday to belp reverse the trend.

It is difficult to see how it can. In the short-term, the stronger and more explicit stronger and more explicit sand Algeria—which were scepsaudi commitment, repeating that Sheikh Ahmed Zaki the move to recover market Yamani, the country's Oil share and are now bitterly Minister, said in the Far East opposed to the policy.

"IT IS HIGH time for reconsideration of ways and means of restoring stability to the oil market," ended the statement issued last week by the royal court of Saudi Arabia.

Riyadh is usually somewhat oblique in its pronouncements, if not actually inscrutable But the little publicised text made it categorically clear that the statement is categorically clear that the consensus on e minimum of its categorically clear that the consensus on e minimum of its categorically clear that the consensus on e minimum of its categorically clear that the consensus on e minimum of its pronouncements, including the categorically clear that the consensus on e minimum of its categorically clear that the consensus on e minimum of its categorically clear that the consensus on e minimum of its categorical porters and the foreigness of the tactics of the tactics of the process of the tactics of the process of the process of the tactics of the process of the process of the process of the tactics of the process of the tactics of the process of the process of the future of the process of the tactics of the process of the future of the process of the process of the tactics of the process of the process of the tactics of the process of the process of the future of the process of the future of the process of the tactics of the process of the process of the future of the process of the tactics of the process of the future of the process of the future of the process of the tactics of the process of the future of the process

sald: "Sooner or later—tomorrow, in six months or maybe more, all producers will appreciate that they do not benefit from the present situation and that an egreement is necessary." Given the UK's pivotal posi-tion and adamant refusal to con-

other on a global basis.

The Saudi statement said that an increase in prices would "only bappen" if there was a coulaboration. In a recent interview Sheikh Ali Khalifa al Sabah. Kuwait's Minister of Oil, said: "Sconer or later-tomorrow, in six months or more, all months or more or later-tomorrow, in six months or more or later-tomorrow, in six months or more or later-tomorrow.

for Opec a fair share in the world's oil markets," has so far had quite the opposite effect.
Opec production has declined from nearly 18.5m b/d in December to little more than 17m b/d in February. Worse, especially for the poorer, indebted

Algeria.

Ruwait's output is understood to have reached sbout I.4m b/d, compared with its allocation of 900,000 b/d. The UAE's production has surged to the same level against a quota of 950,000 b/d. Resentment about their

Sheikh Yamani will face more fierce hostility than ever in Geneva from Algeria Libya and Iran, which co-ordinated their common stance on oil policy last month. Algeria has accused Saudi Arabia of start-ing a price war sgeinst other members and of economic aggression.

Iran, with adversely affected by Iraqi air attacks and Japan's reluctance to buy from it, has proposed a cessation of all Opec ship-

quent restriction of output to 10m b/d. Although it bas a desperate shortage of foreign exchange, this may be making a virtue out of necessity. Nigeria this week publicly

declared it was in favour of restraining ontput, and the pressure on nearly all the others will ensure the four Gulf states will be in a clear minority.

Venezuela, as usual, can be expected to be the voice of com-promise. Mr Arturo Hernadez Grisanni, its Minister of Energy, bas called for a flexible system of prices "related to the markel which can be applied by all countries."

The chance of a movement iowards compromise over an overall output rate and individual quotas looks remote, satisfactory given Saudi Arabia's evident allocations cessalion of all Opec ship- determination to continue envisaged by ments for a month and subse- pumping at 4.35m b/d. Con- Minister.



Sheikh Ali Khalifa . . . agree-

sultations with Mexico, Egypt, Oman, Malaysia and Brunei after the Opec meeting are therefore unlikely to advance at all the prospects for the "stable satisfactory, and credible" allocation of the market

NOTICE OF REDEMPTION

To the Holders of

Wells Fargo & Company

1254% Subordinated Notes Due December 27, 1991, Series A

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Section 4 of the Series A Notes and Article Three of the Indenture dated as of December 27, 1984 between Wells Fargo & Company and Morgan Guaranty Trust Company of New York, Trustee, U.S. \$5,005,000 principal amount of the Notes has been selected for redemption on April 15, 1986 at a redemption price of 101% of the principal amount thereof, together with accrued interest to said date in the amount of U.S. \$37.88 for each \$1,000 principal amount, as follows:

Payment will be made in U.S. dollars on and after April 15, 1986 upon presentation and surrender of the above Notes with coupons due December 27, 1986 and subsequent coupons attached, subject to applicable laws and regulations, at the offices of the Trustee in Londoo, Brussels, Frankfurt am Main and Paris, Swiss Bank Corporation in Basle and Kredietbank S.A. Luxembourgeoise in Luxembourge. Payments may, at the holder's option, be made by a check drawn oo a dollar account of the Trustee in New York City or by transfer to a dollar account in a bank in Europe.

Any payment made by transfer to an account maintained by the payee with a bank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to backup withholding of 20% of the gross proceeds if payees not recognized as exempt recipients fail to provide the paying agent with an executed IRS Form W-8 certifying under penalties of perjury that the payee is not a United States person or an executed IRS Form W-9 certifying under penalties of perjury the payee's taxpayer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number on Internal Revenue Service Form W-9 and who fail to do so may also be subject to a penalty of \$50. Please therefore provide the appropriate certification wheo presenting your securities for payment.

On and after April 15, 1986 interest shall cease to accrue on the Notes herein selected for redemption and all conditions precedent to such redemption shall have occurred.

WELLS FARCO & COMPANY

WELLS FARGO & COMPANY

Sony plans Austria disc factory

SONY, the Japanese electronics group, is to establish a compact disc manufacturing plants in Japan and the US proplant in Austria as part of a move to consolidate its presence in Europe and expand its world-wide sales, the company said yesferday.

The plant to be built in

Salzburg will be known as Sony Europe, emphasising Sony's desire to establish itself firmly in the European compact disc

The initial investment will be about \$50m (£35.7m), some of which will be provided in the form of government subsidies, although the amount of state aid

received for the project was not disclosed resterday. Production will begin in mid-1987 with an initial target of Im

duce 1.5m and 2m discs a month respectively.

Austris won Sony's approval for the deal in the face of tough competition from the Nether-lands. France, West Germany A spokesman for Austria's

Industrial Co-operation and Development Agency (ICD), speaking on behalf of Sony. said yesterday that there were three main reasons for the choice of Austria and Salzburg.

"We can offer highly skilled labour, a convenient location with full access to the whole of the European market, and the image of Salzburg as a musical

. In a first phase, the plant will this could be increased to 500-600. The development egency says that the agreement with Sony leaves open the possibility of expanding the plant, depending on worldwide demand. Sony would then bave to decide

whether to expand the Salzburg plant or in Japan or the US. Yoko Shibata adds: Starting with its Bridgend, Wales, colour television manufacturing plant. Sony has built five factories in Enrope. It is about to begin construction of a sixth plant in Alsace, France for manufacturing of compact disc players and

India agrees record foreign deals

By John Elliott in New Delhi

A RECORD number of 1,024 new technical and financial collaborations with foreign companies were approved by the Indian Government in 1985. with companies from the US and West Germany topping the

and West Germany topping the list.

The UK has more collaborations — 2,032 — in operation than any other country because of its long association with India. But on present trends, it could be byertaken within three or four years by the US, which has a total of 1,895.

The increase for all coun-

. The increase for all countries of about 35 per cent over the total of 752 approved in 1984 reflects the international response to India's liberslised economic and industrial controls.

The last major increase in

the number of new collabora-tions was in 1982 when com-panies reacted to policies introduced by the Government of the late Mrs Indira Gandhi. The 1982 total was 590 approvals compared with 389 in 1981. Last year there was also a significant increese in the number of collaborations which included foreign companies takink equity stakes, although the amounts are relatively small.

The total was 239 for s total of Rs 1.25bn (£74m) compared with 151 totalling Rs 1.13bn in 1984. The US topped the list with Rs 399m which is significant, despite the small amount of

finance involved, because many US businessmen baye reserva-tions about investing in India. Japan was second with Rs 156m, with the UK ranking seventh at Rs 37m after West Germany, the UAE, Ilaly, and

Computer pact

India has signed a major deel with Control Data Corporation of the US for manufacturing advanced mainframe computers in India, the New Delhi Gov-ernment said, Reuter reports. India will pay the US com-pany \$9.5m (£6.7m) for the

lechnology transfer as well as a

Imports take 38% of French car market

FOREIGN CAR manufacturers gained a 38 per cent share of the French car market during the first two months of this year, consolidating their leadership in the domestic market,

Foreign makers had secured a 36.6 per cent penetration of the French market last year abead of both Pengeot, the French private group, and the state-owned Renault. The latest increase in foreign

import penetration reflects aggressive marketing by foreign makers, especially Fiat of Italy and General Motors in the small car market segment. Fiat topped the list of foreign

importers with 22 per cent of the French market last month followed by Volkswagen-Audi with 6.3 per ceot, Ford with 6.1 per cent and GM with 5.6 per

letter of intent to build the reactors for China's Daya Bay nuclear power plant near Kong Kong, it said yesterday, Reuter reports. The letter, firming up a memorandum of understanding agreed in December, will

nuclear engineering group Framatome has signed a

French

be followed by a formal con-tract signature during the summer, a Framatome state-ment said. cent of the domestic market saw

its new registrations decline by 4.7 per cent. The Pengeot group's new registrations accounting for 34.3 per cent of the domestic market rose by only 2.6 per cent compared with the same period last year.

The French car industry is also increasingly conserved by

The Jepanese maintained their voluntary import quota level of 3 per cent.

The French car industry is also increasingly concerned by the fall in new registrations in Compared to a 10 per cent gain in foreign import sales lower last month compared to during the first two months of this year, Renault with 27.7 per

Dragonair plea for London services wins backing

BY DAVID DODWELL IN HONG KONG

HONG KONG'S Director of Civil Avistion yesterday endorsed the application of Hong Kong Dragon Airlines, the fledgeling aviation group, to operate scheduled services between Hong Kong and London.

London.

The one-aircraft company's application has to be processed by Hong Kong's Air Traffic Licensing Authority, (Atla) where it is almost certain that objections from the airlines operating the lucrative route will force a public hesring.

Dragonair Is controlled by Sir Yue-Kong Pao. and has since its

Yue-Kong Pao, and bas since its incorporation in April last year sel about challenging the claim of Cathay Pacific Airways to be Hong Kong's de facto flag carrier.

operate major routes from Hong Kong.

In a highly-charged Atla haar-ing in December last year, Cathay Pscific blocked Dragon-

Cathay Pscific blocked Dragonair's application to fly between Hong Kong and the two main Chinese cities of Peking and Shanghel.

Instead, Atla approved its application to fly to several smaller cities on the Chinese mainland. This application has yet to be put before the Chinese civil aviation authorities.

A recent application to operata charter flights from Hong Kong to London was turned down by the Director of Civil Aviation.

sel about challenging the claim of Csthay Pacific Airways to be Hong Kong's de facto flag carrier.

It has so far struggled unsuccessfully to win the right to Kong's de facto flag carrier.

At present, British Airways, Britlab Caledonian and Cathay Pacific operate daily services between London and Hong Kong

successfully to win the right to Kong.

EEC split slows shipping move

SHARP DIFFERENCES among the European Community countries on bow to regulate their local shipping are prevening them from deciding how to protect their fleets from unfeir competition on the international routes.

Community transport ministers will today try again to unravel this paradox as they move into a new round of discussions on the formation of a common maritime policy.

as a package.

The three are all seeking more liberalisation in the transport sector. Their hand has been strengthened by the recent European Court of Jostice judgment chastising the Council of Ministers for not deciding on how to bring about freedom to provide services.

So they can be expected to hold back from approving the external side of the policy until they have pushed the rest of tha

common maritime policy.
Shoring up Community
defences against restrictive practices in world shipping and providing a means of hitting at foreign fleets which ply for trade at non-commercial rates is one element of that policy.

Liberalising shipping practices within the Community, giving the freedom to provide services, in the states.

is the other.

The policy was devised by the European Commission as a package, and is slso being treated by the Netherlands, currently holding the Communily presidency, and by the UK

they have pushed the rest of the Community along the rosd of internal liberalisation.

Their argument for this approach is simple. It is scarcely logical to press for free competition internationally if the same principle is ignored at home.

nearly one third of world merchant tonnage.

21.5 per cent. The developing country share, mainly from Asia, rose over tha same period from 8.2 to 21.6 per cent.

The ability of the Community fiset to survive, it is argued, is being increasingly hindered by restrictions on where it can trade and by the practice of some competitors carrying cargoes at rates which might be described as predatory.

Thus, there needs to be a means of retaliating by, for example, putting on the equivalent of anti-dumping duties.

The second stream, reinforced by the European Court judgment, is the drive within the Community to break down a full internal market by 1992.

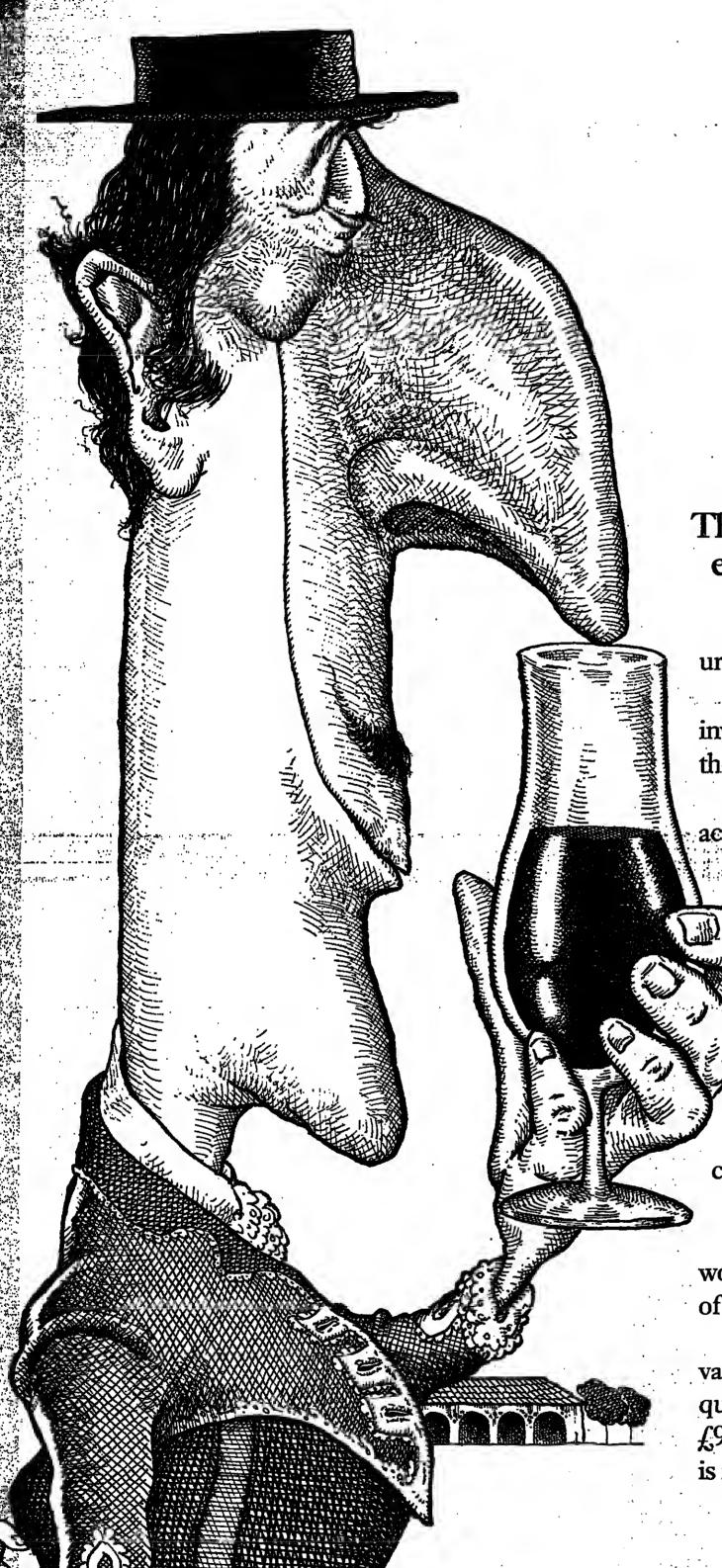
Transport is ona part of that. The political current running Transport is one part of that them has two streams.

There is general agreement

behind them has two streams.

The first is the acute concern in the Community about the diminishing size of its merchant fleet. In 1970, it accounted for world merwill be testing again today is whether the concern behind the agreemant is strong enough to By last year, it was down to permit internal change.

Dated: March 14, 1986



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This financial year with an even greater variety of sherries (thanks to our Spanish acquisitions) we plan on worldwide sales of over £90 million. Which is not to be sniffed at.

Japanese plan to create 5,000 jobs in Britain

BY HAZEL DUFFY

OVER 5,000 jobs will be created in the UK by Japanese companies this year and next through the expansion of existing plant and new manufacturing activities.

This prediction is made in a survey of 107 Japanese companies, all of which have a thorough knowledge of the UK through existing

Over 3,300 jobs are planned in the manufacturing sector with the rest

Wales, which already accounts for over 3,500 of the existing 10,000 manufacturing jobs in the UK held in Japanese companies, will gain

Scotland will gain 700 and is the location most favoured by Japanese companies planning to set up man-ufacturing. the services sector with some 1,200

The survey describes the confidence shown by Japanese companies towards Britain as "striking." Of the total, 80 companies camed "reliable and quality supplies" as the most crucial factor for a Japanese company considering a manu facturing base in Europe, followed by "good supply of skilled labour" (76 companies), and "good labour relations" (72 companies). Only 27 companies named "high financial

Japanese industrialists continue to vote West German suppliers as the best for quality and reliability,

assistance" as a critical factor.

Some 500 jobs are planned for the which indicates that Germany is West Midlands. London and the UK's strongest competitor for south-east of England will benefit attracting Japanese investment most from the planned expansion of However, 43 per cent say that Britain is the country in Europe which offers the best investment opportu-

> Of those that did not favour the UK most, 23 companies said that Germany offered equal or better opportunities than the UK, 12 named the Netherlands and 10 Ireland.

Electronics companies emerge at the top of the list of companies planning new facilities. Two other sectors planning expansion are categorised under "machinery" and "optical/photographic."

Japanese direct investment in the UK 1986-87. Available from Economic Development Briefing, PO Box 625, London NW3 2TZ, C85.

Nuclear waste options outlined

BY DAVID FISHLOCK, SCIENCE EDITOR

SEA dumping and shallow burial of intermediate level waste generated scribed as the "best practicable environmental optioo" (BPEO), in a study published by the Department of the Environment.

Environment Department scientists conclude shallow burial is the BPEO for over 80 per cent by volume of low and intermediate level radioactive waste produced in

The study says near-surface disposal - proposed for four potential

in Britain is economically and

radiologically attractive. Deep disposal is needed for more radioactive and longer living intermediate level waste.

The study says sea disposal of waste containing a low level of plu-tonium is the BPEO at least until it can be reduced in volume and packaged in a suitable way to make deep underground disposal more economically attractive.

Sea disposal of waste contaminatnew UK repositories announced ed with tritium, arising from indus-last month - of low level and some trial processes, would also be the

BPEO provided the waste contains

Britain has 3,600 tonnes of radioactive waste packaged for sea dumping in 1983, when the operation was halted by union action.

Sea dumping would cause no det-rimental health effects over the next 10,900 years, and would cost only £20m more than the cheapest possible disposal strategy, the study says.

Assessment of Best Practicable agement of low and intermediate-level solid radioactive wastes. Pub-lished by HMSO. £5.85 Philip Stephens previews Mr Lawson's budget options for the financial markets

City of London fears tax on transactions

THE RECENT euphoria in London's financial markets ahead of the budget and an expected cut in interest rates has masked a distinct unease that the City of London might not escape unscathed when Mr Nigel Lawson, the Chancellor of the Exchequer, stands up in the House of Commons on Tuesday.

Both the politics and the economics of the Chancellor's third budget have seemed to point to a new tax on the City. The hig banks, which earlier this month unveiled record profits, have been quietly but ac-tively lobbying behind the scenes to dscourage any attempt to cream off percentage for the Exchequer.

What is clear is that the Treasury, facing a huge hole in its finances after the fall in North Sea oil reveoues, has been analysing the possihilities for a new financial ser-

Far less certain is whether it has managed to jump the legal, political and administrative burdles which have wrecked many previous plans to increase the tax burden on banks and building societies.

The attractions of a financial services tax are obvious. Public money is tight, six-figure City salaries have hit the beadlines and Mrs Margaret Thatcher, the Prime Minister, has made it clear that it is time for the Government to do something for the lower paid. The political logic in Whitehall does not differentiate between trying to claw something back from the £100,000 a vear Eurobond trader and taxing banks or building societies.

Perhaps more important, Lawson is under great pressure to stamp duty could be seen as the give something to the City ahead of Government doling out more monthe Big Bang in October which will ey to a City already awash with

cash. That at least is how the Labour Party would characterise it and there are many on the government side who fear that such propaganda would prove effective.

Chancellor would be to package a Big Bang, be must balve it again or remove it altogether. reduction in stamp duty in a much wider range of incentives to help the small shareholder. There has been considerable speculation that Mr Lawson would like to introduce something comparable to France's Loi Monory, which gives tax breaks for investments in the securities

> That, however, would still not measure up to the "budget for the nurses" which Mrs Thatcher has

> Clawing back something from the

introduction of a lower-rate tax One possible way out for tha

City might, along with increases in

provide enough cash to allow some increase in income tax thresholds over and above that needed to keep pace with inflation, or possibly the

The banks are fairly confident that the Chancellor will not impose "windfall tax" comparable to that mnounced by Sir Geoffrey Howe in 1981, while an extension of valueadded tax to financial services is prohibited by European Communi-

In the wake of the international debt crisis the banks, nudged by the Bank of England, have been steadily huilding up their capital base. To introduce a windfall tax now would hardly be consistent. A charge directed at the banks would also run counter to the efforts over the last

competition between banks and building societies.

Rale

The banks therefore suspect that Mr Lawsoo has been examining two main options for a transactions tax which would embrace both banks and building societies.

The first might be a small charge levied on customer-originated entries - cheques, cash withdrawals and payments made from bank or building society accounts. The second could be a tax embracing all entries on account holders' statements, including payments such as salary transfers made by third

Both would have to be adminis tered by the banks and the extra cost would inevitably be passed on to the customer, either through a reimposition of standing charges or, more likely, through a widening of the differential between loan and deposit rates.

The clearing banks believe that a transactions tax is a plausible option, particularly since the Treasury is known to have been sifting through vast amounts of data pass ing through the City's clearing

Their hope is that Mr Lawson will realise that, in the new environment in the City, a tax on one aspect of their husiness will simply result in it being transferred

"Any special tax will be mefficient, unfair and probably against stated government policies of one sort or another," says one clearing hank official with an obvious interest. Perhaps more important, the Exchequer may find that its taxtake in the first year is worthwhile but, two or three years later, has taxes oo petrol, alcohol and tobacco two years to promote greater dwindled to virtually nothing.



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AUDITED	CONSOLIDATED	RESULTS	1985
		1985	
		RM	illion

	.RMi	111011
Income before Taxation	485.2	412.3
Income after Taxation	403.0	317.9
Attributable Income (1)	458.0	275.5
Distribution (2)	 205.8	182.9

308c Earnings per share Dividends per share 190c 5,850c 4,339c Asset value per share

(1) Before deducting extraordinary item of R8.5 million (1984 - R5.3 million) and after allowing for income attributable to outside shareholders (1985 — R52.3 million; 1984 — R66.7 million) and equity accounted income (1985 — R102.9 million; 1984 — R37.7 million). The contribution of Mining to Attributable Income was R339.8 million (1984 — R191.1 million).

(2) Distribution in respect of all permanent capital, namely ordinary shares, Convertible 8.5% preference shares and Convertible 12.5%

FINAL DIVIDEND declared on 13 March 1986—Payable 17 April 1986 Amount per share 140 cents-Currency conversion 1 April 1986 The above has been abridged from the full preliminary statement copies of which are available at the office of the London Secretaries, 30 Ely Place, London, ECIN 6UA

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Interest rate cut 'delayed by budget'

By Kevin Brown

A CUT in interest rates was being delayed by the Government to add extra sparkle to a budget in which the Chancellor of the Exchequer had little room for manoeuvre, Labour MPs claimed in the House of Commons yesterday.

Mr Roy Hattersley, Labour's de | the problem for more than a year. puty leader and economics spokes-men, challenged Mr Nigel Lawson, the Chancellor, to "break the habit of a lifetime and be frank with the House," about the prospects for Tuesday's hudget.
Mr Hattersley told MPs: "The

squalid fact is that the inevitable reduction is being held back to give a little shine to a hudget which would otherwise be very lacklustre

Mr Lawson shouted back through Labour jeers: "I am glad to note that you are expecting a reduction in interest rates. Not so long ago you were telling the House there was bound to be an increase, and there was not."

Tha Chancellor said interes rates had remained unchanged since January 8. He told Mr Hattersley: "You were wrong then, and you are always wrong."

There was pressure from Conservative backbenchers for a cut in in-

terest rates to help industry.

Mr Michael Latham (Conservative) said all the "economic jigsaw pieces" were in place for an immediate and significant cut in interest rates. He said this would be of great value both to industry and the Gov-ernment's counter-inflation policy. He demanded: "What is preventing

Mr Lawson said there would be benefits from lower interest rates but he urged MPs not to exaggerate the effects of the present level of

He said the Fehruary survey of monthly business trends by the Confederation of British Industry had shown the best responses or prices and output since 1975.

Mr Lawson said other countries had benefited unambiguously from the recent fall in oil prices. The effects of oil price changes on the UK were bound to be more mixed. He added, however, that the trend of falling oil prices and interest rates throughout the world could be noth

ing but helpful to Britain.
The Chancellor and other Treas ry minsters deflected all questions about the likely contents of Tues-day's hudget. But there were a numr of last-minute repr

by MPs on both sides of the House.

Mr Anthony Beaumont-Dark
(Conservative) was cheered by Labour MPs as he urged the Chancellor to spend whatever mnney was available on help for the decaying inner cities, rather than on tax cuts Mr Lawson clashed repeatedly with Labour MPs over the Government's claim that spending commitments made by Labour would cost £24bn a

Both Mr Lawson and Mr John MacGregor, the Chief Secretary, stood by the figure, which has been dismissed as wildly inaccurate by Labour spokesmen. Mr James Le mond (Labour) asked whether it was right for civil servants' time to be spent in costing the opposition

Mr lan Wrigglesworth, the Social Democrat Treasury spokesman claimed that the hurden of taxation of individuals had increased since

Lack of engineers 'leads skill shortages' BY ALAN PIKE, INDUSTRIAL CORRESPONDENT

A LACK OF professional engineers emerges as British industry's most serious skill shortage problem in a survey published by the Confedera-tion of British Industry (CBI) and Manpower Services Commission (MSC) today.

nark the internationalisation of

In 1984 he cut the stamp duty on

share transactions from 2 to 1 per

that, to ensure the success of the

The fine margins that securities

traders will have in the new envir-

onment, the argument runs, will re-

sult in business being driven off-

shore if stamp duty is not phased

Reducing the charge would also

fit in with the Government's ambi-

tion to create a "new army of capi-

talists" by tempting far more inves-

tors into the shares market.

London's securities markets.

The survey shows that 38 per cent of employers who are experi-encing a shortage of engineers expect the problem to worsen during the oext 12 mooths. And 71 per cent of the companies which are unable to recruit all the engineers they oeed have already suffered from

most prevalent shortage hut also the most persistent," comments the

The other most commonly men-tioned skill shortages across all sectors of industry were those of machinists, assembly and inspectioo grades, textiles and clothing occupations, technicians and electrical and electronic fitters.

A total of 15 per cent of companies said that their output was likely to be constrained over the next four months by a shortage of skilled labour - up from 13 per cent when

"This is therefore not only the the CBI/MSC survey was last conducted a year earlier. Across all sectors of industry,

says the report, "22 per cent of re-spondents expect further shortages to emerge in the course of the next months, with professional engineers being the most widely reported - computer and manage-ment services personnel shortages are also significant." The survey discloses that 8 per cent of companies expect labour shortages to limit investment over the next year, compared with 6 per cent a year

vey to be more likely to react to most types of skill shortage by trying to recruit new staff, rather than retraining existing employees.

Many also consider sub-contracting the work for which they are unable to recruit sufficient skilled employ-

lobs wi

he issue

Mr Bryan Nicholson, MSC chairman, in response to the report, said he believed industry was finally beginning to recognise the need to invest in training if skill shortages were to be eliminated. But too many employers still tried to take the easy way out and poach staff

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Raleigh cycle production to be restructured

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

'MANAGEMENT at TTs loss-mak- ain and the passing of the BMX biing Rateigh hicycle factory has cycle craze led to a 30 per cent drop warned the 1,800-strong workforce in the UK market.

lined plans to consolidate all pro-duct a in just 10 acres of the 64-acre site in Nottingham. The land freed and the reduction of work in progress will more than finance the problems. changes necessary over the next

en for producing a cale from the present six weeks to five working days. The existing production process involves components travelling market and believes Raleigh can several miles around the site, crossing two roads, a river and a main-line railway.

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essary to introduce a new pay graders take responsibility for both outing system and modernisation of put and quality, can cut costs and the 20-year-old incentive payment open up markets. Releigh has drawn up markets.

But the operation, which came to dominate UK and world markets, are readily available for assembly. Raleigh, in addition to reorganis has suffered nothing but losses since the late 1970s. The workforce discussions with suppliers, which

The most recent of a series of rationalisation strategies to adjust ances that redundancies will not be the Nottingham factory to an annu-necessary in the summer or aual output of 1m bicycles, rather tumn. The eventual cuts in the than 2m, ran into problems in 1984 workforce will depend upon the with a new £6m computer-con-

year, but two bad summers in Brit-months.

that redundancies are inevitable as a result of radical changes in production which are being sought.

The company, in consultation with workers this week, has outlied allows the company of the company tipped as a possible successor to the present chairman, Mr Ronnie Utiger, was given the task last October of finding a solution to Raleigb's

changes necessary over the next options have been considered against the background that the The aim is to reduce the time takbave a profitable future.

Raleigh has told employees that a ine railway.

new production system based on
Detailed negotiations will be necmanufacturing cells, in which workthe 20-year-old incentive payment scheme.

The Nottingham site has served the bicycle markets of the world since the early years of the century.

The the according which supplies of components are kept to a minimum but a served to a minimum but are served.

Raleigh, in addition to reorganishas been steadily reduced from account for about 45 per cent of the more than 6,000 in 1979.

Management has given assurspeed in introducing the system, trolled paint and assembly plant. TI
then called a balt to investment.
the cutting of costs and the performance of the UK and European Teething problems of the plant markets - both of which are expect-were overcome, and costs cut last ed to expand over the next 12

Whitehall

needs line

of appeal,

eroment should appoint an ombuds-

Sir Robert Armstrong, head

the Home Civil Service, does not be lieve in the need for an ombuda-man, bowever. He told the crossparty committee, which is investigating relations between the Civil

Service and Government, that an ombudsman would greatly compli-cate a two-way relationship which

had to be one of great confidence.

The committee's report will be

cians and civil servants about in-

□ COLLIERY supervisors have been told by the National Coal Board (NCB) that mining jobs will

be lost if they vote for an overtime ban next week over the closure of a

duction last month was held back

month last year and did not match the 76,000 in January. ☐ ATTEMPTS aimed at ensuring that Mr Arthur Scargill has to stand for periodic re-election as president of the National Union of Minework-

ers were quashed at the union's ex-ecutive meeting in Sheffield, nor-

thern England. Two motions tabled for the union's annual conference in

July, calling for the president's cast-

PHILIPS, the Dutch electrical

and consumer group, is to sell its washing machine factory at Heli-

fax. Yorkshire, to a management

consortium. Philips bad announced

last year that the factory was to be

The purchase price was not dis-closed but is understood to run to

crease in sales of compact disc play-

ers in the UK this year. It said the

UK was now the fastest-growing

market after Japan.

come at a worse time.

Jobs will be issue in key by-election say MPs

THE FULHAM by-election campaign opened in earnest yesterday with Thursday April 10 announced as the date for polling in this crucial political battle in West London.

man to give an independent source of appeal for civil servants who are asked to carry out duties with which they are in fundamental dis-agreement, Hazel Duffy writes. The Labour Party was first off the mark with Mr Roy Hattersley, its deputy leader, giving a press conference with Mr Nick Raynsford, the party's candidate.

They highlighted unemployment as the issue on which Labour would be spearheading its campaign. Mr Hattersley claimed that a Labour

government would introduce a programme which would create Im jobs over two years.

The other candidates, Mr Mat-

thew Carrington for the Tories and Mr Roger Liddle for the Social published at a time of growing disquiet among many former politi-Democratic/Liberal Alliance, immediately counter-attacked and made it clear they were prepared to do battle on this contentious ground. adequacy of rights for civil servants and declining morale in the service.

The announcement ends the period of "phoney war" in which all the candidates have been active and the parties have been building up

their election machines.

The contest is caused by the death of the Conservative MP Mr death of the Conservative MP Mr Martin Stevens, who won the seat from Labour in 1979 and held it oil prices industrial action could not with a majority of 4,789 in the 1983 general election (46.2 per cent of the vote). Labour was second with 34 CAR and commercial vehicle proper cent and the Liberals, who fought the seat for the Alliance,

by the unofficial stoppage by 1,700 workers on the trim and final assembly lines at Ford's Halewood plant on Merseyside which cost the mitput of 10,500 vehicles. According were third with 18.3 per cent.
It is important to the Tories to bold the seat after the Government's recent difficulties over the to Department of Trade and Indus-try provisional estimates, car pro-duction in February at 74,000, on a Westland helicopter company and BL, the state-owned vehicles group, and its poor showing in some of the seasonally adjusted basis, was well below the 86,000 for the same public opinion polls.

For Labour it is a critical battle to demonstrate that Mr Neil Kinnock, the party leader, is succeeding in pulling his party together with the aim of winning the next general

The Social Democrats, representing the Alliance this time, also badly need a victory to underline the Alliance's credibility as a valid alternative to the two traditional

parties.
The outcome in Fulham could aling vote to be restored, were ruled out of order by Mr Mick McGaney, the NUM vice president. so influence the result of forthcoming by-elections in two other Tory-beld seats. These are at Rydale in north Yorkshire, caused by the death of Mr John Spence, MP, and Derbyshire West, where the MP, Mr Matthew Parris, will be leaving to become a presenter on London

The latest national opinion poll, Marplan, bunches the parties close ly together with Labour at 35 per cent, the Conservatives at 32 per

cent and the Alliance at 31 per cent. SONY, the Japanese electronics company, predicted a sharp in-The SDP launched its campaign last night with a meeting addressed by Dr David Owen, the party leader. Earlier Mr Liddle emphasised his party's budget proposals which, he said, had been properly costed and would produce 750,000 jobs THE SECOND reading of the controversial Shops Bill which

over three years.
He said that SDP canvassing seeks to remove remaining restricshowed that 40 per cent of the Ful-ham electorate had yet to make up tions on Sunday trading hours, will almost certainly be shortly after the end of parliament's Easter Recess. their minds on bow to vote.

RULING SUPPORTS GRANADA IN TAKEOVER FIGHT

Rank pursues bid despite legal setback

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

over bid for the Granada Group, despite having failed in the High Court yesterday to remove the block imposed on the hid by the Independent Broadcasting Authority (1BA).

The court refused to quash the IBA's decision on February 25 not to give Rank permission to vote more than 5 per cent of its 8 per cent bolding in Granada, which includes Granada Television.

Under Granada's articles of association, no shareholder may vote more than a 5 per cent holding without the IBA's approval. Rank is to appeal against yester-

Mr Michael Gifford, chief execu-

he said: "We intend to proceed with our bid."

to have indicated that it was. The judge said that, when the looke Sir Denis Forman, Granada Television's chairman, described the tack, it had not been exercising a said. judgment as "very firm." The IBA said later that it was delighted with the ruling, which vindicated the procedures it had adopted.

tive of Rank, would not comment on and Granada, fell at the first legal the ruling as he left the court, but hurdle facing it in the judicial review procedure under which it made its claim.

thought that Rank's case was ill-the decision under a power given by considered and the judgment seems the statute under which it operates.

power given by the 1981 Broadcastpower given by the 1981 Broadcast-ing Act. It had been exercising an Granada's closed at 272p, down 10p. adjudicatory power conferred on it by Graoada's articles of association.

THE RANK Organisation is to go day's ruling. The case will be before ahead with its opposed £753m take- the Court of Appeal next week.

Mr Justice Mann ruled that He rejected Rank's contention Rank, whose legal move had been that the IBA had acted unfairly in strongly resisted by both the IBA not giving Rank an opportunity to make representations before the decision was made.

He also rejected a complaint that the IBA had followed an inflexible Granada Group, said that the ruling had not surprised him. "I always body like the IBA only if it made

such a general policy, provided it looked at each case on its merits. It bad done so in this case, the judge

Shareholders' ballot, Page 10

Gas consumers will get inquiry powers after privatisation

BY DOMINIC LAWSON

party Energy Select Committee of the policy."
The main that there would be no significant tee's object. changes to its chosen method of privatising British Gas, despite the ommittee's very strong criticism of the Government's approach.

But at Monday's report-stage reading of the gas Bill, the Govern-National Gas Consumer Council by giving a future Gas Consumers' Council the right to investigate complaints about servicing and in-stallation of appliances carried out by a privatised British Gas.

This concession does not appear in the bland reiteration of the Government's views on gas privatisation sent to the committee.

Mr Ian Lloyd, chairman of the tee's complaints by easing the marcommittee and a Conservative MP ket for gas exports and imports. In said yesterday: "This is not good enough. The Department of Energy could have met us on a number of the future Director of Gas could have met us on a number of the future Director of Gas could have met us on a number of Supplies to prompte competition in points without losing face. It is a Supplies to promote competition in reflection of the lack of authority of the industrial gas market. The conthe House of Commons in its deal- cession to be announced next week ings with Government departments." But Mr Lloyd said be did not expect Conservative members Government is not entirely imperviof the committee to yote against the ous to the criticisms that have been Government in the third reading of levelled against the gas Bill.

THE GOVERNMENT told the all- the Gas Bill "since we do not oppose

The main thrust of the committee's objections was that the Government was not doing enough to ensure the break-up of British Gas's basic monopoly and to encourage competition.

The Government yesterday restated its view that gas would rement will yield to pressure from the main competitive because of its fight for market share against alternative fuels. Mr Lloyd said yes-terday that "inter-fuel competition impacts only at the margins."

The Government again refused to change its aim of allowing British Gas to pass on to domestic consum ers the cost of increasing its gas

supplies.

However, the Government last week answered one of the commitgiving more powers to the Gas Con-sumers' Council suggests that the

Distributor takes over ailing Alfa network A STRATEGY to revive the severe-trol of the loss-making British would be reduced to about £3m. Mr when they have fallen to 3,200 last by battered image of Alfa Romeo in company. ly battered image of Alfa Romeo in company. No value was put on the deal, but

the UK is cow being drawn up by Tozer Kemsley and Millbourn (Holdings) (TKM), the UK vebicle distribution and property group. TKM confirmed yesterday that it and distribution subsidiary.

"nominal" and equal to the UK com- TKM will take control of the British share. pany's net asset value on comple- company on April 1. TKM confirmed yesterday that it bas taken control of Alfa Romeo's formerly wholly owned UK sales

pany's net asset value on completion company on April 1.

"We are buying a cleansed completion of Alfa Romeo's losses accumulated by the UK company," said Mr Lawrence Kemmish, who is to be chief executive, with cember 1984, these amounted to Heath as chairman.

No value was put on the deal, but members are being reassigned to year only 371 cars were sold, reprethe cost to TKM was described as other posts within Alfa Romeo.

its last published accounts, to De- TKM group chief executive Mr Reg

GB's Milan parent, TKM has acquired 80 per cent of the share capital and full management consaid the expected losses for 1985

Alfa Romeo sales in the UK bave Romeos, which have been badly hit continued on a steady downward by excessive discounting. "The discounting and full management consaid the expected losses for 1985 13,000 was reached in 1979, since

Mr Kemmish acknowledged yes-

terday that TKM faced "a tremendous task" in restoring Alfa's UK A priority would be to take action to support the resale value of Alfa

64,267 reasons to consider export insurance.



In 1984, Britain's partners in the European Community suffered 64,267 bankruptcies, an increase of 36% since 1982.

This figure in itself is reason enough to take out export insurance, particularly since these countries represent the UK's biggest export market.

The world recession has affected eventhese 'safe' markets, drastically increasing an exporter's chances of running up against serious financial problems.

This volatile business climate makes it

difficult for the exporter to predict when or if a problem will arise.

It does not, however, stop him from protecting himself against the serious financial damage of not being paid.

Once you've considered the facts, you surely can't help but consider ECGD's export insurance schemes.

For a new policy-holder with an annual export turnover of £5m, with most buyers based in markets like North America and Western Europe, a typical premium for comprehensive short-term credit insurance could be £33,000 or less



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UK NEWS

Michael Donne studies delays in renegotiating the Anglo-US Bermuda Two agreement

Long haul over North Atlantic air pact

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Inter-Continental sales office or your travel agent.

OFFICIALS of the Department of Transport will step up efforts over the next few weeks to renegotiate part of the Anglo-US Bermuda Two air agreement governing air ser-vices between the two countries, so as to avoid a damaging battle that could hurt all airlines flying the

Problems with Bermuda Two have already delayed the proposed privatisation of British Airways (BA), as uncertainties over the pact prevented a valid prospectus being written for the sale of the airline's

But much more is at stake than that. Agreement is needed on what is called Annex Two of the pact, which sets out rules controlling ca-pacity that airlines of both countries provide on the UK-US routes.

The annex expires in July, and if no new agreement on it is reached many seats they like to the point of Secretary, has left the US in no "dumping," in a hattle for traffic that would be bound to benefit US airlines because of their airlines because of their greater

During the renegotiation of the market was already unfavourably pact, the UK also hopes to clarify once and for all the whole question

He said the heavily protected US of competition on the North Atlantic. It will seek to get the US to ac- a hig disadvantage in competing for cept that US anti-trust and competi- US-originating traffic, especially at tion laws should not override Bermuda Two. The UK thereby hopes tial proportion of connecting traffic to ensure that no UK airline will be which enjoys the double protection subjected again to anti-trust littles.



Lord King (left) and Mr Nicholas Ridley: worries over air competition

tion such as that which followed the collapse of Laker Airways, which caused a long delay to BA's privati-

February that the North Atlantic

He said the heavily protected US domestic market put UK carriers at

ervations systems hiased in favour cuss these matters, and so far as inof US airlines.

"Our airlines do not enjoy a comparable advantage to anything like the same degree on our side of the Atlantic, where your (US) airlines have substantial access to all European points beyond London," he

Mr Ridley spoke in equally strong terms on the way the US imposes its domestic laws on international airlines. "We do not accept that the sole arbiter of what should and should not be the laws governing competition on UK-US services should be US law and the US

undoubtedly cast over BA.

It has been suggested the privatisation could still go ahead. There have been sharp differences of view before that have been cleared up without disruption of services, and the same thing may be possible

The Department of Transport disagrees. It believes, from Mr Ridley downwards, that if it came to a capacity fight on the North Atlantic, a newly privatised BA could be seriously hurt, which would not be a good start to its career in the private sector.

It is also argued that chances of an early settlement of Bermuda Two issue are poor. Talks have not been going well. The US Govern-ment, dedicated to deregulation, is less interested than the UK in see-

ternational aviation is concerned, ing a new capacity arrangement.
Moreover, the US has never liked new ground in order to establish a hilaterally agreed regime which will meet the spirit and policy ob-Bermuda Two. It views it as a trading agreement that benefits UK air-lines more than US ones. It sees no jectives of the domestic laws in reason why it should take Annex Two further by adding on to it free-But he added: "We are not predom from anti-trust and competipared for these matters to be regulated and enforced by the unilateral

tion laws in favour of the UK. As the situation now stands Angapplication of the US anti-trust lo-US talks could drag on for months in a deteriorating atmos-The UK government is so con- phere of uncertainty. The UK govcerned to see the matter cleared up ernment hopes it will not come to and Annex Two re-established as that If a revised Annex Two can be an integral part of Bermuda Two agreed soon, BA might still get back that it is prepared to accept a further frustrating delay to BA's privatishing year or early 1987.

Shareholder vote on political donations could set precedent

and entertainments group, could Organisation annual meeting have far-reaching political implications. A vote taken at the annual shareholders' meeting this week gave Rank directors anthority to nake donations to political parties.

ready to consider breaking wholly

both our countries."

the resolution, 5m (2.5 per cent) controversial choice against with 8.5m (4.2 per cent) absteptions. The resolution was then passed on a show of hands.

normal contributions to the Conserof the ballot.

The vote could set a precedent. Rank is probably the first major company to hold a hallot about po-

Other companies which have been actively considering consult-Spencer and Willis Faber. Both bour's income has been removed, have contributed to Conservative

The system of regulating pay-ments to parties came under re-newed attack after the Trade Union Act 1984, which ohliges unions to obtain the approval of members every 10 years for the establishment of a political fund.

Alliance and Labour parties have

criticised the apparent unfairness of rules which place restrictions on trade unions hut leave company directors free to make political pay-ments without restraint. In Juoe 1985 a working party es-tablished by the Constitutional Re-

form Centre and the Hansard Society for Parliamentary Government recommended shareholder ballots as the main ingredient in a code of practice for company political

duced by Mr Derek Fatcbett, a La-bour MP, would make such hallots

compulsory.

The Conservative Party has always rejected the parallel between political payments by unions and companies. About 85 per cent of central Labour funds comes from unions, while Conservative Central Office receives a smaller proportion of its income (55-60 per cent) from

Trade union political levies raise about twice as much as the com

Rank Organisation, the UK leisure A ballot this week at the Rank gave directors power to make political donations. Michael Pinto-Duschinsky reports on ease with

Proxy votes were 25m (12.6 per shareholders were able to cent of issued ordinary shares) for express a view on a

hined political contributions of com-The company had suspended its panies. Unlike unions, which receive block votes at the annual Lanormal contributions to the Conser-vative Party, pending the outcome bour party conference based on their affiliation payments, companies receive no such privilege in the Conservative Party.

Pressure for reforming the sys-

litical contributions, though a few tem of company donations which smaller companies such as Barlow was building up in 1985, has prob-Holdings and Foreign and Colonial ably diminished because the risk to Investment Trust have already Labour funds posed by the 1984 Trade Union Act has failed to m terialise. Unions with political levy funds have balloted solidly to retain ing shareholders include Marks & them. Now that the threat to Lacompany chairmen may feel less need to alter their own pattern of

ballots could prove an attractive device for legitimising political payments to the Conservative party. The fact that the Rank shareholder vote led to a clear majority in favour of political donahons may eocourage other companies to hring forward similar motions at their an-

If this happens, the benefits to the Conservative party - and to a lesser extent the Alliance - could be considerable. At present, only a minority of companies (about 20 per cent of The Times 1,000 top industrial companies), make political donations.

The ballot held by Rank illustrated the ease with which shareholders can be consulted. It also showed some of the limitations of such votes as a democratic device. A bare 2,100 out of nearly 31,000 shareholders (7 per cent) returned their proxy forms. Since individual shareholders have only 6 per cent of Rank shares, the outcome was determined by the votes of large in-

Michael Pinto-Duschinsky is a senior lecturer in government at University, Uxbridge, Middlesex,

Tourist boards unite to fight foreign competition

THE BRITISH tourism industry is ist boards said yesterday. Large projects under construction account for more than £900m (\$1.3hn).

have joined together to set up a new association, the UK Holiday Bupublic relations campaign. The tourist boards say UK citi- year.

zens took more than 40m holidays spending record amounts on facili-ties and promotion to meet fierce there were 16m foreign visitors. there were 16m foreign visitors. competition from foreign holiday They believe the domestic industry resorts, leaders of the four UK tour- can continue to maintain significant growth.

Investments are taking place in hotels, marinas, theme parks, sport The English, Northern Irish, and wet-weather facilities, confer-Scottish and Welsh tourist boards ence centres and self-catering holi-

The tourist boards are together reau, to co-ordinate activities and spending more than £11.5m on propublicity. They plan a three-month moting UK holidays to the home market; 10 per cent more than last

AMALGAMATED METAL CORPORATION PLC



CLOSURE OF SHARE REGISTERS Pursuant to Section 358 of the Companies Act 1985, notice is hereby given that the share registers of Amalgamated Metal Corporation PLC will be closed on Fnday 21 March 1986. A W N Green - Secretary

"We are ready and willing to dissubjected again to anti-trust litiga- of reserved internal routes and res snext flight will be on Cathay Pacific.

> At Cathay Pacific, we believe our passengers deserve better than frozen, packaged and processed food.

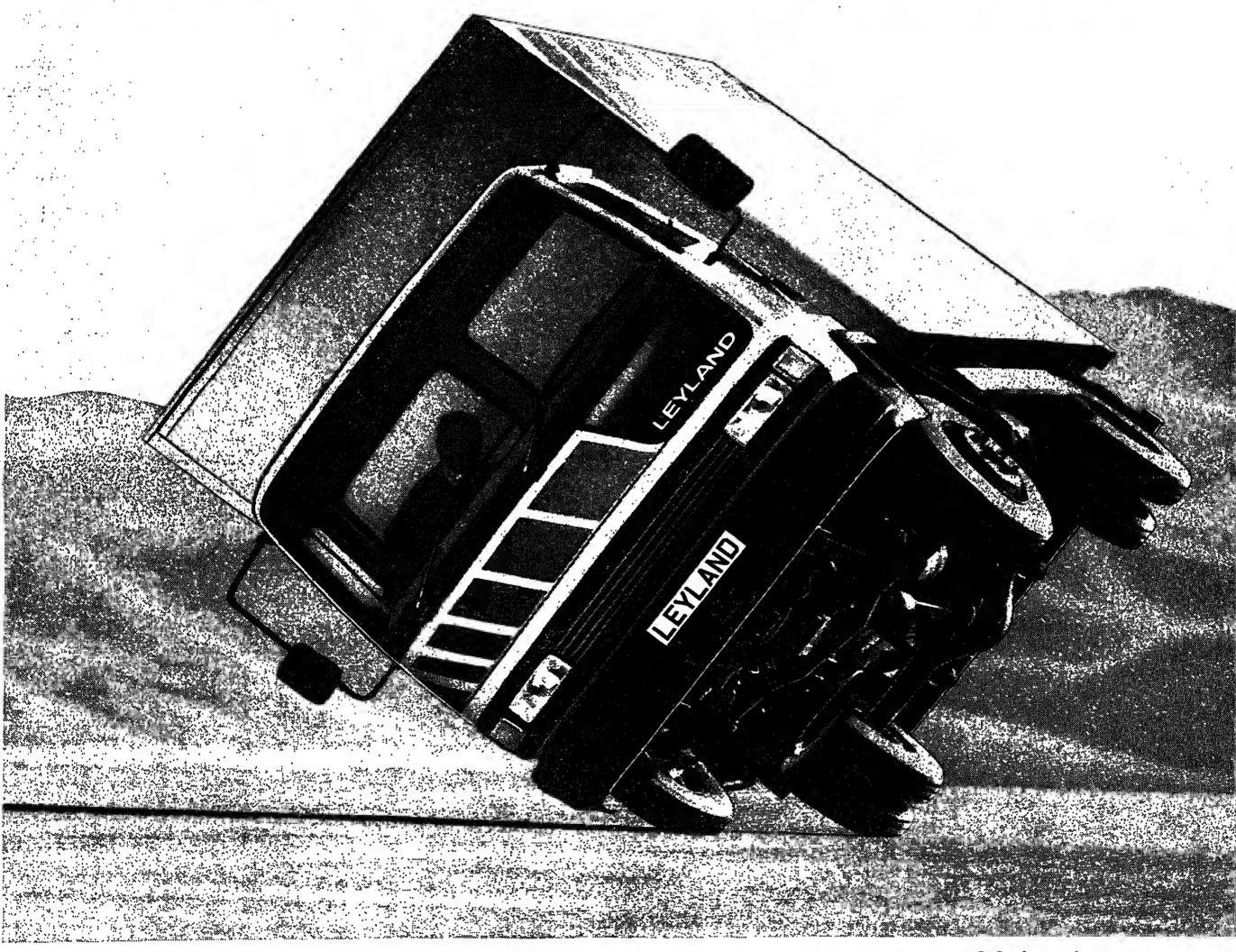
Which is why our chefs insist on using the freshest ingredients available around our system. Like this salmon, which will be freshly prepared and served on one of our international flights.

The same principle of using only the freshest produce applies wherever you're flying with us.

At 35,000 feet, you'll find we have the very highest standards of service and cuisine, all designed to help you arrive in better shape.

-Arrive in better shape

They said it couldn't be done.



Seven years ago the outlook for the British truck industry was bleak.

But today, at least one part of that industry is transformed.

In 1980 Leyland Trucks invested £62 million in a brand new production plant and an R & D facility that pioneered the use of computers in truck design.

Since then they have renewed their entire product range from 6 tonnes to 250 tonnes.

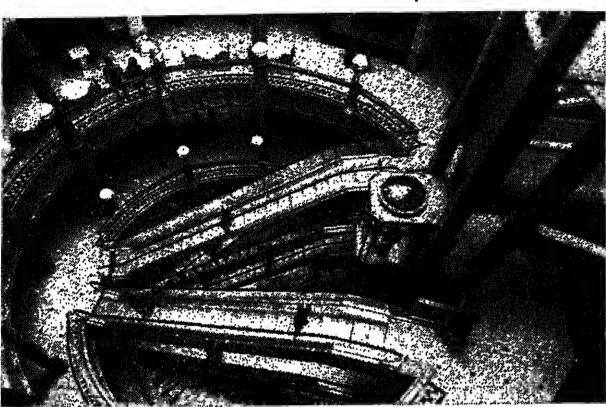
In the past three years they have earned £208 million in exports.

And in January 1986 came the most impressive feat yet: Leyland trucks became the best selling trucks in Britain.

(2) Leyland Trucks

Leyland leaves other trucks standing.

Ladbroke. The Far From Leisurely Extra Group.



Some of the most breathtaking modern architecture is seen in the new shopping centres.

Ladbroke are leading the way with this 100,000 sq.ft. development covered by a giant glass atrium giving natural light on all three shopping levels.

We're looking overseas for growth in our holiday business. Our 1,000 bed villa development in Eilat, Israel, is already operating very successfully. A similar development in Lanzarote has just opened.



What's smarter? Owning hotels where people want to stay or where they have to stay? We're become one of the top two hotel chains in Britain by building and buying businesslike hotels that businessmen like.

On Monday of this week Ladbroke announced their preliminary results for the year ending December 31st, 1985.

Pre-tax profits were up 50% to a record level of £75m.

Turnover was up from £1·12bn to £1·34bn and earnings per share increased by 18%.

It was an encouraging year (to put it mildly) with all three core businesses performing well.

Hotels, property and racing achieved a combined increase in pre-tax profit of 42% while the entertainments division boosted its profit contribution by 35%.

Last year was certainly a high point in Ladbroke's history and the future has never looked more exciting.

Ladbroke Hotels are now one of the top two hotel chains in Britain and

growing fast.

We've recently opened new hotels at Swansea, Livingstone and Basingstoke and we're currently building at Manchester Airport and Portsmouth.

In London we're relaunching the Curzon in Mayfair and the Sherlock Holmes in Baker Street (where else?).

Because our hotel business caters primarily for the businessman who <u>has</u> to travel we're less dependent on tourism than many hotel groups.

Manchester may be a less exotic location than Rio but it appears more often on an executive's itinerary.

By next winter we'll have invested £15 million bringing the 22 hotels we bought from the Comfort Group up to Ladbroke standards.(And need we say it, Ladbroke profitability.)

Our racing division had an outstand-

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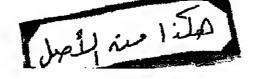
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Our purchase of Rodeway Inns International gave us an entry into the world's largest hotel

market - America.



Financial Times Friday March 14 1986 Laskys is a chain of stores specialising in home entertainment. We've recently extended the product range to include photographic equipment, and the results have been extremely encouraging. Thanks to new legislation, the sport of kings can now be watched in more palatial surroundings. As world leaders in off-track betting, Ladbroke welcome the changes. Our investment in publishing is bringing good results. With the recent acquisition of Senews we now own 74 titles.

ing year in 1985 and with over 1,500 shops in the U.K. we increased our share of the off-track betting market to over 21%.

In Belgium we own over 800 betting shops and last year we bought a race course in Michigan.

(When legislation allows off-track betting, we'll be ready for the off.)

But the most pleasing development happenedhere in Britain earlier this week.

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PULINE

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(P. 3)

For the first time, betting shops were allowed to show live TV and satellite coverage of sporting events and to provide new facilities for their customers.

We have already invested in the most modern communication and computer technology to give our clients a service that's second to none.

We call it the 'Greatest Show in Town' and even allowing for a little commercial hyperbole, it does seem to The director of Ladbroke Group PLC have taken all reasonable care to ensure that the facts stated and opinions expressed are fair and accurate. The directors accepted responsibility accordingly. One of a series of advertisements from Ladbroke Group PLC

be very popular with our customers.

Our U.S.A. properties are establishing a substantial rental stream and valuable dollar assets.

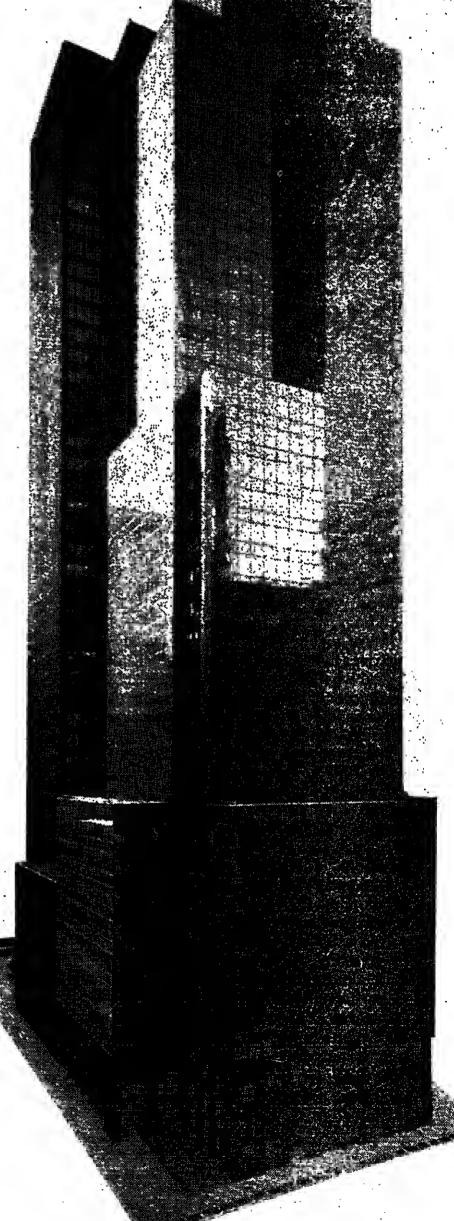
Here in Britain, we're concentrating on the retail sector with major new schemes in Maidstone, Birmingham, and Bristol and out of town developments in Crayford, Hendon, Perry Barr and Cwmbran.

With leisure-time spending projected to increase by 8.5% in 1986, the entertainments division is also expecting to do well; publishing is expanding, holiday bookings are ahead of 1985 levels and Laskys is again expected to improve its performance.

As you can see from this brief look at our activities, the future looks far from leisurely.

And that's exactly the way we like it.

This is Manhattan Tower, a 275,000 sq.ft. 35-storey Ladbroke development in the heart of New York City. It's high rise and high projects in America. rent and typical of our quality In 1985, the property division contributed £18m to group profits.



Squaring up for the final showdown Oxford sells \$1bn portfolio to Bell Canada AS THE war of nerves between of its unwelcome sharebolder, Stock Conversion and Stockley steps up, the two companies meet again today to try and meet again today to try a

Over the last 12 months, the two sides havo examined at putting the two companies together, inclinding the injections of the companies of the company's voting the company th tion of selected assets into a

certainty—could quickly end up in a full-scale takeover battle.

After months of silence, during which both sides have apparently been attempting to find a friendly formula to end the deadlock, the two companies have started to lift the veil of the county of the count

ciametrically opposed views on exactly what is happening. Stock Conversion let it be standard at the start of the week that talks aimed at resolving the position, via the acquisition will be centred on the City of the model of the conversion stresses that much of the emphasis this year proves, although bopes of a friendly eettlement do not

find a way out of the deadlock.

The fate of the 26.5 per cent equity stake held by Stockley in one of the UK'a most dramatically revitalised property groups, should soon be resolved, though the chances of a peaceful conclusion or a bloody battle seem even.

Over the last 12 months, the seem even. property company's voting shares and in which P & O has a 20 per cent stake.

was that Stock Conversion's had, for too long, been new-look management was leaping Stockley to its "eotangle-of its earlier labours." ments," happy to power shead with plans to consolidate Its image as an aggressive and am-bitious property group requiring

proposals, Stock Conversion has just ecquired a long lease from Phoenix Assurance on 143-149 Cannon Street, now occupied by its Stock Conversion stake.

Coutts Bank, where it plens a 25,000 sq ft office project.

As for the development gramme, Stockley says it

Two other planned applica-tions, not yet disclosed, will add 270,000 sq ft to the Cky total. Beyond the Square Mile, the company has submitted plans for 125,000 sq ft of retail-ing space on its Western Avenue site.

Stock Conversion. More recently, however, it has appeared that the tables might be turned. Now it seems increasingly likely that final failure to find an agreed solution to the situation—not yet a certainty—could quickly end up in a full-scale takeover battle.

After months of silence during which the situation—not seems the office project originally planned by EuroFerries for Trust, on behalf of Robert Clerk, one of the company's cofoundars. Stockley can certainly since the ominously empty for auction.

There can he no question that, whatevar the final outcome, stock Conversion has reacted strongly and imaginatively to the shock disposal of the shere atake previously held by Equity Trust, on behalf of Robert Clerk, one of the company's cofoundars. Stockley can certainly since the final outcome, stock Conversion has reacted of its proposed developments, all planned by EuroFerries for Trust, on behalf of Robert Clerk, one of the company's cofoundars. Stockley can certainly since the final outcome, stock conversion has reacted of its proposed developments, all planned by EuroFerries for Trust, on behalf of Robert Clerk, one of the company's cofoundars. Stockley can certainly since the final outcome, stock conversion has reacted of its proposed developments, apparently lay in Stockley's destination to proceed with some of its difficulties apparently lay in Stockley's destination to proceed with some of its proposed developments, apparently lay in Stockley's destination to proceed with some of its difficulties. had, for too long, been bappy to sit back and enjoy the fruits

Over at Stockley, however, the emphasis this week has not been on what it has done for Stock have started to lift the veil of discretion surrounding their discussions. Their posturing is reminiscent of the usual scenes at a hig fight weigh-in. The only trouble is that both parties now appear to hold diametrically opposed views on exactly what is happening. Stock Conversion let it be Stock Conversion at the start of the week stock of the week s

annual report will show a balance aheet capability and financial position capable of shattering any propaganda concerning its virility. Nelther does it have any doubts about the value of its Stock Conversion stake.

As for the development propagame, Stockley says it is making contents.

making good progress on flag-ship schemes like Stockley Park and emphises the dramatic impact that the revised City of London development plan could have no projects like Pater-noster Square. Hudson's place, It seems, carries e cash underwritten commitment from Euro-Ferries which will he unlocked, to Stockley's henefit, by a sale.

EuroFerries, it appears, is not putting any pressure on Stock-ley and no discussions have yet been held between the two companies, or with P & O. But the Stockley team is making it quite clear thet it has no intention of parting with its 26.5 per cent stake which in the absence of an agreed deal with Stock Conversion, might well be used as a platform for a bld involving EuroFerries and P & O. EuroFerries might not itself be particularly predatory but Sir Jeff-rey Sterling, who knows a thing or two about property, is alto-gether different.

When they meet today, both sides will no doubt try again to find common ground and a friendly solution. Failure could rapidly bring about a confrontation tha likes of which the property sector has not seen for many years.

Before the latest deal, almost two-thirds of BCE's asseta were represented by 5,200 acres of undeveloped land, with most of

of the total 7.1m sq ft uet (10m sq ft gross) of office space within the central business district, only 8 per cent can be classified as Grade A—high quality accommodation comparable with that available in major international. international. financial centres. Only 1 per cent—less than 10,000 sq ft—was available for letting at the start

of the year.

Ellis estimates potential demand in the central area to 1990 at just over 2m sq ft, much of it requiring higher quality space. John Orton, the agent's research guru, said in Glasgow this week that the conservationists would have to compromise.

Other property includes the new 56-storey Republic Plaza building in Denver, along with other office and retail develop-Before the latest deal. almost two-thirds of BCE's assets were represented by 5,200 acres of becoming a wholy-owned BCE subsidiary.

Jack Poole, BCE Development's chairman, says the purchase in in line with the company's efforts to move away from volatile residential land development and towards the creation of a strong portfolio

Before the latest deal. almost two-thirds of BCE's asset were represented by 5,200 acres of properties in Phoenix and St Paul are also being purchased. BCE paid around \$125m cash for the shares in Oxford. The tends to have 80 per cent of its indicated that it plans to use cash for around 20 per cent of property.

As part of the Oxford acquired the property purchases, with a property.

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As part of the Oxford acquired the property purchases, with a property.

As part of the Oxford acquired the property purchases, with a property.

Oxford Development, controlment opportunities in the town.

HAVING taken on a new lease of prime, commercial property of life under the ownership of Bell Canada Enterprises, the former Daon Development property group has now acquired a \$1bn (£680m) investment portfolio in the United States.

Just renamed BCE Development and the states of prime, commercial property of prime, commercial property division in the Love family, will still be left with some US property Minneapolis, the \$49,000 sq ft investments. The company says along with adjoining development property office portfolio once, as part of its efforts to settle obligations to creditors, having defaulted on much of the C\$2hn (£1bn) of the United States.

Just renamed BCE Development property investments along with adjoining development property investments. The company says along with adjoining development property investments. The company says along with adjoining development property investments. The company says along with adjoining development property investments. The company says along with adjoining development property investments. The company says along with adjoining development property investments. The company says along with adjoining development property investments. The company says along with adjoining development property investments. The company investments along with adjoining development property investments. The company says along with adjoining development property investments. The company investments along with adjoining development property investments. The company says along with adjoining development property investments. The company investments to look for acquisitions and the second property investments along with adjoining development property investments. The company investments along with adjoining development property investments. The company investments along the left with some US property investments. The company is along with adjoining development property investments along the left with some US property investments. The company is along the left with some US property investments

But if Oxford is disillusioned with US real estate, BCE obviously has no auch qualms. The company is looking to rebuild an American foothold and, according to Poole, "is creating I long-term value many and, according to Poole, "is creating long-term value not short-term profits." Income last year was a modest C\$2.2m and it will be a couple of years yet before the figure is beaten. With Bell Canada habing it that Bell Canada behind it, that abould not be too much of a

BERNARD SIMON

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GLASGOW FACES a major shortage of top quality office space and the strong conservationist lobby in the city will have to compromise if badly needed, new accommodation is going to be

The calls come from Richard Ellis, the estate agents, following a comprehensivo review of office occupancy patterns in the city. Ellis emphasise that the planners are extremely keen to see more prime floorspace in the centre and says that the nge to the development try is to keep both

The agents calculate that.

Glasgow conservationists 'must accept compromise'

The main emphasis of coucentres on the massive facades of Victorian office hulldings and their location on wide, main thoronghfares like St Vincent St and St Vincent Place. Ellis reckons that the large street blocks created, reflected in the city's grid pattern, could be the subject of wholesale redevelopment to create a mix of large and small office units. Facades, It emphasises, retained.

The agents forecast that space shortages will help push up top rents from £8 a sq ft to £10 a sq ft by 1988

WILLIAM COCHRANE

• Legal & General Assurance has sold its long leasehold interest in the 300,000 sq ft Palace Gardens shopping centre, Enfield, north London, to Norwich Union for £18m. The two insurance groups developed the centre in 1980. Rent reviews begin this year. • Private real estate syndica-tions in the US raised \$8bn in 1985, down \$2bn on the previous year. Stephen Roulac, the real estate advisory group, says that pri-vate syndications were only 14 per cent higher than the \$6.9hn raised by public syn-dication, much lower than the traditional gap between the two types of investment vehicles.

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fall, and why? What is the strength of demand?

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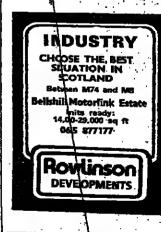
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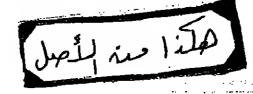


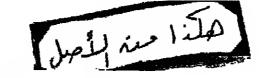




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Company will be held in the

on TUESDAY, 25th MARCH,

By Order of the Board of Directors

G.D. GWILT

Managing Director and Actuary

Edinburgh, 11th March, 1986

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CANADIAN FACIFIC LIMITED Ilingreporated in Canada). DIVIDENO NOTICE

At a Meeting of the Boars of Directors held today, a quarterly dividend of twelve letter 122: per shall on the outstanding Ordinary Sharts was Declared, gasable in Carledon lands on April 25, 1986, to Saareholdors of robot as at the closs of business on Marsh 219 order at the Board O. J. DEEGAN, Secretary Montreal, Marca 10, 1986.

Company Notices

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Notice of Annual General Assembly of Shareholders

holders of Fidelity American Assets NN, tha "Corporation" will take place at 2:00 p.m. at Schottegatweg Oost, Solinja, Curoquo, Netherlands

Please take notice that the Annual General Assembly of Share

illes, on March 18, 1986.
The following matters are on the agenda for this Meeting:
Report of the Management.
Election of seven Managing Directors.
The Chairman of the Management proposes the re-election of the
following seven easting Managing Directors:
Edward C. Johnson kd
William L. Bernes
Charles A. France
Charles A. France
Meeters & Coré E. There Companies

William L. Barnes
Charles A. Francer
Maduro & Curicis Trust Company N.V.
Approval of the Balance Sheet and Profit and Loss Statement for the Isseat year ended November 3d, 1985.
Riffication of actions taken by the Managing Directors since the last Annual Assembly of Shareholders, including payment of an interim dividend in respect of the fiscal year ended November 3d, 1985 and authorization of the Managing Directors to declare an additional dividend in respect of fiscal 1985 if necessary to enable the Fund to quality for distributor status under United Kingdom tax law.

tax law. Ratification of actions taken by the Investment Manager since the last Annual General Assembly of Shareholders. Such other business as may properly come before the Meeting.

A form of proxy may be obtained from the following institutions:

Holders of registered shares may vote by proxy by mailing a form of proxy obtained from the Corporation's Principal i ffice in Pembroke, Bermuda, from Fidelity International Management Limited in London, or from the Banks listed above, to the Corporation at the following soldons:

Holders of bearer shares may vote by proxy by mailing a form of proxy and certificate of deposit for their shares obtained and filled in the manner described in the preceding sentence. Alternatively, holders of bearer shares wishing to exercise their rights personally at the Meeting may deposit their shares, or a certificate of deposit their shares, or a certificate of deposit their shares, or a certificate of deposit therefore, with the Corporation at Schottegarveg Oost, Salinja, Curação, Netherlands Antilles, against receipt therefor, which receipt will entitle said bearer shareholder to exercise such rights.

All provies (and certificates of deposit issued to bearer shareholders) must be received by the Corporation not later than 1:00 p.m. on March 18, 1986, in order to be used at the Meeting.

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LIMITED COMPANY

NOTICE IS HEREBY GIVEN that a balance of the Register will be struck on Thursday, 17th April, 1986 for the preparation of warrants for a Final Dividend for the year 1985 of 22.5p per

25p Ordinary Share. If approved at the Annual General Meeting to be held on 15th May, 1986 the dividend will be paid on

For transferees to receive this dividend, their transfers must be lodged with the Company's Registrar, Lloyds Bank Plc, Registrar's Department, Goring-by-Sea, Worthing, West Sussex, BN12 6DA, not later than 3.00 p.m. on 17th April, 1986.

SHARE WARRANTS TO BEARER

No. 174 which must be left at Lloyds Bank Pic, Registrar's

Department, Issue Section, 111, Old Broad Street, London, EC2N 1AU, at least five clear days for examination, or may be

NOTICE TO HOLDERS OF

C. ITOH AND CO. LIMITED

Wairants to subscribe shares of Common Stock of C. Jich end Ce. Ltd., issued in conjunction with an issue of U.S.550.000,000 11: pet cent Guaienteed Bonda duo 1867
Pursuant to Clause 7/81 and [C] of the Trust Oced deted 9th February 1862 under which the above wairants were issued, notice is hereby gives

On 14th February 1986 the Board of Directors of the Company resolved to make a free distribution of shares of its common stock to share-holders on record as of 31st March 1986, Japas time, at the rate of L1 new chare to each share held.

D.1 new chare tor each share held.

2. Accordingly, the warrant exercise price of the above warrants will be educated effective 1st April 1986 Japen time. The warrant exercise price in effect prior to such adjustment is Yan 341 (0) pel share of common stock and the adjusted wattent enercise price [taking into secoutt the education of Yen 0.90 by reason of the pravious (Issuence of the company's common stock in Jegan on 2nd September 1986] will be Yen 309.20 per share of common stock.

Withorrants to autoscribe sheras of Common Stock of C. Itch end Co. Ltd. Issued in conjunction with sn issue of U.S.\$50,000,000 7.5 per cent Guaranteed Benda dus 1989.

Purevant to Clause 4(A) and (B) of the Instrument dated 2nd May 1984 under which the above warrents were issued, netico is heroby given as follows:

1. On 14th February 1986 the Board of Orectors of the Company resolved to make a free distribution of charas of its common stock to shareholders on record as of 31st March 1986. Jepen time, at the rate of D.1 sew share for each share held.

2. Accerdingly, the warrant electuse price of the above warrants will be adjusted effective 1st Agril 1986 Japan time. The warrant aspectiso price in effect prior to such adjustment is Yen 340.00 per share of common stock and the adjusted warrant aspectise price grade out the adjustment of Yen 0.90 by reason of the groucous issuance of the company's element stock is Japan on 2nd September 1985] will be Yen 308.30 per share of common stock.

surrendered through MM. Lazard Freres, Paris.

The Coupon to be presented for the above dividend will be

22nd May, 1986.

Shell Centre,

London, SE1 7NA.

13th March, 1986

By order of the Management Charles F.M. Collis Secretary

By Order of the Board D. W. CHESTERMAN

Company Secretary

The Bank of Bermuda Limited

Fidelity International Management Limited 25 Lovat Lang. London ECJR bl.L. England

Fidelity American Assets NV. c o Madaro & Curiel's Trust Company NV. P.O. Box 305

Kredietbank S.A. Lusembourgeoise

43, Boulevard Royal, Luxembourg

Notice of Annual General Assembly of Shareholders

Election of the Managing Director.

The Chairman of the Management proposes the re-election of the present Managing Director, Corporate Trust N.V.

Approval of the Balance Sheet and Profit and Loss Statement for the fiscal year ended Noverober 30, 1985.

Ratification of actions taken by the Managing Director since the last Annual Assembly of Shareholders, including payment of an interim dividend in respect of the fiscal year ended November 30, 1985 and authorization of the Managing Director to declare an additional dividend in respect of fiscal 1985 if necessary to enable the Fund to qualify for "distributor" status under United Kingdom tax law.

Fidelity International Management Limited 25 Loval Lane, London ECSR 8LL, England

Holders of registered shares may vote by proxy by mailing a form of proxy obtained from the Corporation's Principal Office in Pembroke, Bermuda, from Fidelity International Management Lumined in London, or from the Bank listed above, to the Corporation at the following

FAA Holdings N.V. e o Cryporate Trust N.V. Ir-A Petermani, Willemstad, Curação Netherlands Antilles

All proxies land certificates of deposit issued to bearet shareholders! must be received by the Corporation not later than 1:00 p.m. on March 18, 1980, in order to be used at the Meeting.

of USSO,50 per coupen, nn nr after March 19, 1986 at nne of the following offices of Morgan Guaranty Trust Company of New

York:

— Brussels: 35 Avenue des Arts
— New Ynrk: 30 West Broadway
— Loodon: 1 Angel Court
— Frankfuri: 46 Mainzer Landestrasse
— Zurich: 38 Stockerstrasse
In compliance with the terms and conditions of the Deposit Agreement, the dividend distribution will be made by the Depositary or the aforementlooed agents, against presentation of the appropriate coupun and the certificate of nationality and recidence duly completed.

of the appropriate coupling and acceptance duly completed.

Morgan Guaranty Trust Company of New York

Brussels Office, as Depositary

NEW KLENPONTEIN PROPERTIES LIMITED Incorporated with limited liability in the Republic of South Africa)

NOTICE TO HOLDERS DP SHARE WARRANTS TO BEARER PAYMENT DF COUPON NO. 154

Oividend declared in Sourn Airi-can Currency 9 rents per share, equipalent in United Kingdom Currency on 11 Matth 1986 31 R24920 = £1 Sourn 1986 50411 Airitan Non-Resident Sherebolders' Tax at 1594 D 47005

United Kingdom Income Tax at 15% issee notel on the Bross snoum of the dividend 0 47005 0 47005 2.19360 Coapors may be lodged at the following these from which listing to ms may be bearing:

others from white of the Company, 21 Southanger Place, London WC1A 2BO Company's Patts

21 Southaniston Place,
London WC1A 2BO
Paris:
The Office of the Company's Paris Agents,
Credit du Nord.
Gib boulevan & Haussmano,
Paris, 75009.
Paris, 75009

London Office:
21 Southampton Place.
London WC1A JBQ.
14 March 1998.
NOTE. The rate of South Airlan NonResident Shareholders' Tax applicable to
this dividend is 15°, and relial for this
has been given by deducting United Kingdom Income Tan at the rate of 15°, instead of the basic rate of 30°a.

BRITISH OXYGEN FINANCE B.V.
USSSO.000.000 1813. GUARANTEEO
BONOS 1990 50,000,000 11 4% GUARANTEED

1014% GUARANTEED BONDS 1993 Molders of the above Bonds are advised that the Annual Report and Accounts for the year ended 50 September 1985 for Brillian Origen Finance 8.V. and The BOC Group pk the Gueranter) are available from The BOC Greup of C. Cheffsey Rpad. Windlesham, Surrey GU20 6HJ.

Public Notices

SCOTTISH EQUITABLE LIFE ASSURANCE NDTICE 18 HSREY GIVEN that the Annual Guneral Macring of the Society will be neid in thu Society's Head Druce. No 28, 5t. Antirew Square. Eoinburch, on Thursday. 20th Marrh 1986 at 12 30 gm, to consider the Accounts and Balance of the Auditor. To eluri, Directors, to decimine the remoneration to be paid to the Directors and re illuspopolit the Auditor. A Memper of the Society entirled to attend and vote at any Annual General Mecting is untitled to appoint another person to attaind and vote instead of the Society's Head Office not less than forty-until thours before the time for balding the Meeting.

89 Order of the Society Spark By Drder of the Board D. A. BERRIDGE General Manager

28 St. Andrew Square, DINBURGH.

Clubs

EVE has outlined the others because of a policy of four glay and visite for money support from 10-3.20 am. Disco and foo nussicians, blamorous flooresses, exclining floorshows, 180, Regert St., W1, 01-734. IRSS?.

Art Galleries

BROWSE & DARBY, 01-734 7984.
THOMAS NEWBOLT paintings. BURY STREET GALLERY, 11 Bury Street St. James's SW1 930-2002 Canisa Palming 1880 1920 Manday-Fridey 10-5 LUMLEY CAZALET. 24. Davies St., WI. DI 499 .5056, RDBERT BATES—Record Watercolours Until 20 Mari II

FAA HOLDINGS N.V. Registered Office: 16-A Pretermani, Willemstad Curação, Netherlands Antilles

Please take notice that the Annual General Assembly of Share-holders of FAA Holdings N.V. tihe "Corporation" will take place at 2:00 p.m. at 16-A Pietermani, Willemstad, Curação. Netherlands Antilles, on March 18, 1946.

The following matters are on the agenda for this Meeting:

Report of the Management.

Electron of the Management proposes the re-election of the

ax law.

Renfication of actions taken by the Investment Managet since the last Annual General Assembly of Shareholders.

Such other business as may properly come before the Meeting.

A form of proxy may be obtained from the following institutions:

Kredietbank S.A. Lusembourgeoise 43. Boulevard Royal, Luxembourg

Holders of bester shares may vote by proxy by mailing a form of proxy and certificate of deposit for their shares obtained and filled in the manner described in the preceding sentence. Alternatively, holders of bearer shares wishing to excrete their nghts personally at the Meeting may deposit their shares, or a certificate of deposit therefor, with the Corporation at 16-A Pieterman. Willemstad, Curação, Netherlands Antilles, against receipt therefor, which receipt will entitle said bearer shareholder to exercise such rights.

By order of the Management Charles T.M. Collis Secretary

THE TAIWAN (R.O.C.) FUND International Depositary Receipts evidencing Beneficial Certificates rapresenting 1,000 Units

Notice is hereby given to the Unitholders that The Taiwan IR.O.C.) Fund declared a distributing of US\$170 per IDR of 1,000 Upits pet of the 20 per cent withholding tax that is deducted at source from income. Payment of coupon No. 2 from the International Depositary Receipts of either The First or The Second Tranche Units will be made, after deduction of the Depositary's fees in an amount ISSO EN not received.

With reference to the notice of declaration of disidend advirtised in the press or 14 Feb wary 1986, bolders of Share Wattants to Beater are informed that payment of Disidend No. 88 will be made in United Kingdom Currency, on and after 27 March 1986 after sorrender of coupon No. 184 as

Per Shale Pente

NDTICE IS HEREBY GIVEN that the Creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 8th day of April, 1986, to send in their full Christen and services, their sodresses and discriptions, full particulers of their debis or claims, and the names end addresses of their Solicitors [if any), to the undersigned Patrick Gisnulle White of 1 Wardrobe Pisce, Cantellane, London ECAV SAJ, the Liquidator of the said Company, and, if so required uy notice in withing from the said Liquidator, are, personally or by their Solicitors, to come in and proue thair debts of claims at such time and place as shall be specified in such nouse, or in default thereof they will be excluded from the benefit of any distribution mede before such debts are proped.

Dired this 25th day of February, 1986, PATRICK GRANVILLE WHITE, Liquidator.

Legal Notices

IN THE MATTER OF CALVIN KENCHINGTON DEVELOPMENTS LIMITED ANO (IN THE MATTER OF THE COMPANIES ACT 1985

NATICE IS HEREBY GIVEN that the

IN THE MATTER OF ORRETTO SERVICES LIMITED THORNTON ENGINEERING LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

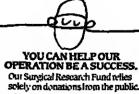
THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditate of the about-named Company, which is being ununtarity waund up, and april, 1986, to send in that full Christian and surrames, their addresses and descriptions. It will particulars of their debis or claims, and the nemes and eduresses of their Solicitors III anyl. to the understoned Stechen Daniel Swadsn. FCA. of 46 Rodney Street, Liverpool L1 9AA, the Liquidator of the said Company and if so required by notice in writing from the send Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in delault thereof they will be encluded from the beseft of eny dietribution made before such debts are coroyed.

Dated this Bih dan of Merch 1986.

S. D. SWADEN.

. Personal



Our Surgical Research Fund relies solely on donations from the public. Please help us to continue this vital work by sending your donations to: THE SURGICAL RESEARCH FUND

SEATFINDERS

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Wimbledon Tel: 01-828 1678

Theatres

TICKETS ALL "SOLD OUT"

SENIOR executives across a hroad range of British companies are poised to win the jackpot. Changes in the tax treatment of company share option schemes in 1984; coinciding with a particularly huoyant stock market have stored up a crock of gold for many direc-

tors and senior managers. The rapid emergence of share option schemes as e popular method of rewarding senior executives has, bowever, prompted concern that companies are concentrating on their top men st the expense of other employees and share-holders. It has also focused attention on the broader issue of whethar sbare option schemes really do improve a company's performance.

performance.

An early sign of just how lucrative share option achemes can be emerged late last year. In October five directors and 175 aenior managers of Dee Corporation, the Carrefour and Gateway supermarkets group, made a profit of £13m hefore tax by selling shares accounted tax by selling shares acquired

under options.

The following month six directors of Burton, the acquisition-minded stores group, made a gross profit of more than £3m from the exercise of

than £3m from the exercise of their share options.

The option schemes allow directors to huy sbares in a few years' time at today's price. If the sbares rise in value they can he sold on at a profit. If the price remains the same or falls the option is allowed to

Impressive though the recent numbers have been the pay-off for British managers may be ooly just begioning. The extension of capital gains tax treatment to executive only share schemes — previously liable to much higher rates of income tax — will mean that from tha end of 1987 executives will be shle to reap an even larger profit — after tax — than they

The investment committees of the large institutions are concerned primarily that the rights of existing shareholders should be protected. Other professionals in the field of henefit consultancy are aware of the danger that other employees will resent unduly generous schemes tailored to executives.
Changes in the legislation governing share schemes has created potential benefits for all recent years (see inset). But executives are particularly wellplaced to take a big slice of the action. And because they must inform the Stock Exchange of their share dealings they are much more visible to outside

Three types of scheme

THE CURRENT vogue for share option schemes was started by the 1979 Finance Act which made them Hable to capital gains tax of 30 per cent instead of income tax at up to 60 per cent. Previously cash bnuuses had been a more attractive incentive. The lastest tax treatment has now been extended to three types

 General profit-sharing schemes. The company sets np a trust which is given a share of annual profits to buy shares for all employees of at

These schemes are not strictly option schemes since employees are allocated shares which must be held for at least two years. Individuals may be allocated up to £1,250 worth of shares or, if it is greater, 10 per cent of their salary to a maximum of

 Save as you earn (SAYE) option schemes (introduced in 1980). These are also open to all employees but they must save part of their salaries to pay for them.

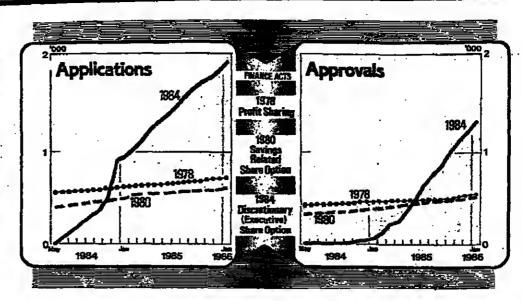
Employees may put aside up to £100 a month for five years in n building society or National Savings account. At the end of this time they may huy the shares or, if the price has not risen, simply withdraw their savings. SAYE schemes may allocate

shares at up to 10 per cent less than their stock market value to give participants an immediate notional gain on their investment.

· Executive or Discretionary share option schemes. Intro-duced in 1984. The main innovation of

these schemes was to allow a company to restrict options to a selected group of employees nsually senior managers. The executive schemes also allow considerably more options to be issued to an individual. Participants may

be allocated shares worth £100,000 or four times their total annual earnings. These shares must be paid for but they can usually be financed by the immediate sale of part of an Individual's



Employee share schemes: a fair option?

Charles Batchelor explains why equity incentives in the UK are becoming a contentious issue

the US pettern is frequently the realities of business risks, cited. But the Institute of capital and profits."

Directors, among others, points ont that US share options partially take the place of more eleborate pension arrangements and long term service contracts availeble to executives in the Some companies-Dee end Burton included have intro-duced triggers into their at a disadvantage in the isbour

schemes to overcome the charge that executives henefit sbare price. The company sets profit targets, often tailored to a fairly small operating division, or requires the share price to rise by a set per-centage, before options can be

Share option schemes have been introduced for two main reasons. First, their backers believe thet people will be encouraged to work harder if measurable return above their normal salary. Sbare options, unlike cash bonuses, have the added advantage of producing a long-term commitment to an

earnings the prospect of top managers and the workforce managers exercising lucrative The Institute of Directors risk-free options is causing some endorses wider share ownership The argument thet British boldings of wealth . . and managers are merely following educates all who participate in

> Share incentive schemes have proved increasingly popular because they allow a company to reward employees at no immediate cost. Options are immediate cost. Options are frequently used to attract ambitious executives and companies without such schemes market.

> How successful bave the share schemes been in achieving their aims? One or two studies of the effectiveness of options have been carried out in Britain hut comprehensive answers are still lacking. "Large claims have been made for share option schemes

hut there has been little pub-lished evaluation of their impact," says Dr Ray Richardson, reader in industrial relations at the London School of Economics. Richardson is carrying out n study with the hacking of the Stock Exchange and the National Association of Pension Funds (NAPF) to determine the effect of option schemes on a company's share price.

of the Militant Shureholders' Action

mough to be conclusive," said significant effect was the catemuch more visible to outside scrutiny.

Coming at a time of Government pressure on wage increases after enterpressure on wage increases after outside and employees, on balance but it is not strong —of companies reported any

The evidence suggests that companies reported that company-wide share which introduced all three types of scheme did best. The only area in which introduced only executive ship on performance is positive alarge proportion—32 per cent of companies reported that companies which introduced all three types of scheme did best. The introduced only executive schemes performed no better schemes in 1985 compared with shareholders and employees, on balance but it is not strong —of companies reported any

Industrial relations expert Keith
Bradley and economist Alan
Gelb in one recent study.*

A survey; carried out by
Michael Landon of employee
benefit consultants Gopeman
Paterson found that in most
Paterson reconstricts was needed. areas—productivity, wage nego- with share option schemes had tiations, staff recruitment and risen faster than those without. staff turnover—between 35 and
45 per cent of companies reported that company-wide share
of scheme did best. Those

share scheme at all.

These findings appear to back an earlier US studys which drew attention to the possibility that executives might be better motivated but other employees would be demotivated if they felt executives were getting too good a deal

Whatever the doubts of the scademics, individual companies are convinced their own option schemes are effective. Dee Corporation, which has executive and SAYE schemes, says: "It has been tremendously motivational. Many people realised for the first time they were part of a large group." Dee attributes the rspid increase in its market capitalisation from £60m in 1981 to £1.2hn in part to the are convinced their own option in 1981 to £1.2hn in part to the share schemes.

Hanson Trust sees a notice-eble change among executives of the companies it acquires. "They stop thinking of them-selves as hrick or battery makers and see themselves as managers interested in the overpsny," Hanson says.

The stream of new companies coming to the Stock Market has booked demand for option schemes. British Telecom, Enterprise Oil, Jaguar and Reuters all launched schemes when they became public com-

since the start of the new style legislation. A further 917 schemes were awaiting approval at the end of the year. The most dramatic growth came in demand for executive schemes. They accounted for 86 per cent of all newly-sanctioned schemes

lest year. The Copeman Paterson survey showed that of 138 com-panies (out of 400 polled) half had general schemes, 67 per cent had savings-related schemes and 74 per cent had

executive schemes.

Most companies had introdnced more than one type of scheme. The combination of SAYE and executive schemes was the most popular variant. it was used by 58 of the 138 companies in the survey. Some companies argue that

general schemes spread the benefits too thinly to have any motivating effect and sre too costly to administer. This has not deterred companies such as Marks and Spencer and Sainsbury from operating companywide schemes.

A measure of the sensitivity of share option schemes can be seen from the degree of supervision to which they are subjected. The Stock Exchange, the inventment committees of the investment committees of the pension funds and insurance companies and the Inland Re-venue must all be satisfied before a scheme goes to a company's shareholders for To prevent the issue of too

ing shareholders' interests the investment committees have drawn up guidelines.

These limit the amounts com-mitted to such schemes to 5 per cent of pre-tax profits. New share issues to employees are restricted to 10 per cent of a

company's existing capital over s 10 year period with a maxi-mum of 5 per cent allowed for executivo schemes. The pension funds are wor-ried, however, thet even these limits may come under pres-

sure. For this reason they are hacking the LSE study.

"We can see comparies which have used their quota seeking to go beyond 10 per cent to incentified name manhers." centivise new members of menagement," says Roger Meeds, secretary of the NAPF investment committee. "It would be difficult to defend an

arbitrary 10 per cent figure." Shareholders' approval is the last hurdle share schemes must last hurdle share schemes must clear. Instances of their reject-iog schemes are rare but Astra industrial, a loss-making West Midlands engineering and pro-perty company, bed a proposal for an executive scheme turned

own io 1984.

Plans to allocate 5 per cent of sbares in Dunlop, the ailing rubber products group, to Sir Michael Edwardes, the chairman, and two other directors in January 1985 were withdrawn thankleder presspre. under shareholder pressure.

Despite a growing political consensus that wider employee share ownersblp is e good thing there ere fears that schemes biased too hesvily towards small numbers of top executives could lead to the removal of tax privileges, as happened in the early 1970s under a Labour government.

The Wider Share Ownership Gouncil, a pressure group active in this field, wants the tax concessions applying to executive schemes to be dependent on companies introducing a general employee scheme.

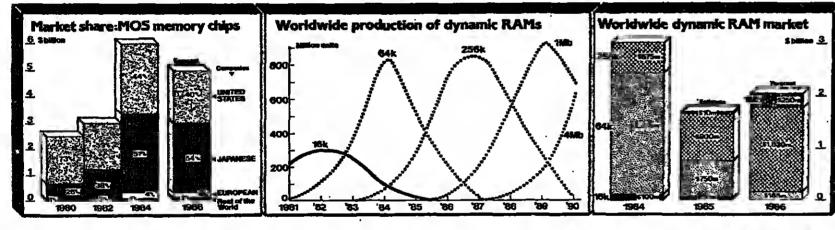
"This is all part of the roeder argument about broeder whether the City is paying it-self too much," says John Mulville, secretary of the investment committee of the Association of British Insurers. "I hear multerings and misgivings. A continuous agonising appraisal is going on." Share Ownership for

ployees. Public Policy Centre, K. Bradley & A. Gelb. Employee share schemes, M. Landon, Copeman Paterson. Employee Share Ownership. Schemes in the UK—an Evaluation. R. Richardson and A. Michardson ond A. Nejad, London School of

Economics.
Employee-owned companies; is the difference measurable? M. Conte ond A. S. Tannenbaum. Monthly Labor Review, Washington, July 1978.

STAND 367

TECHNOLOGY



OF ALL the collaborative high-technology ventures which have aprung up in Western Europe recently, few involve such potentially high stakes as Megaproject, the joint research programme into advanced micro-chips between Philips of the Netherlands and Siemens of

financial backing from the Dutch and German governments, Megaproject is intended to equip the two companies with equip the two companies with the semiconductor technology they will need to be competitive in a wide range of electronics products during the next decade. As such, it has become a highly visible symbol of Europe's wider efforts to make up its technology lag.

The two companies with the secone were well aheed in developing 1 Mb d-rams. Furthermore, conditions in the memory market had deteriorated sharply, causing the project, expected to involve total investments of about \$1bn, will enable them to DM 70 when Megaproject was challenge Japan's domination of launched only a few months bechallenge Japan's domination of the microchip memory business fore.
by leapfrogging into the lead in developing the next generation of "megabit" devices. These

hits of computer data, four times more than 256K memories, the most advanced devices on sale today. The European venture was always a gamble—and the odds are starting to look perilously finely balanced. The Japanese have moved ahead even faster than Siemens and Philips exalready started pilot production of 1 megahit (Mb) devices—
while there have been signs of slippage in the Europeans' said to have been so angry timetable.

The true deal that he care pected-Toshiha and NEC have

will be able to store at least 1m

The two Europeen companies aim to share technology but to hacking produce components separately. entirely. dynamic random access memories (d-rems), the most widely used type of devices. It expects to atart making 1 Mb d-rams assistance from Toshiba this year, with a 4 Mb version following in lete 1988.

Phillips will make for

Europe's risky dash to catch up in microchips West Germany. Launched 18 months ago, with specialised. It aims to start pilot

production of a 1 Mb chip in 1988, with commercial produc But Siemens has already been launched only a few months be-

After spending DM 70m on its own 1 Mb development programme—half of that sum heing provided by the Federal Government—Siemens decided it had been beaten. To the consternation of officials in consternation of officials in Bonn, it promptly axed its own programme and took out a licence from Toshiba on the Jepanese company's 1 Mb dram technology.

Dr Heinz Riesenhuber, the federal technology minster, is said to have been so angry shout the deal that he came technology and its applications.

close to withdrawing federal hacking for Megaproject

woetner it will now even be the first company to make the chips technically more complex static in Germany. IBM says it has memories (s-rams), for which developed its own 1 megabit the market is rather more memory which it could be seen to the could be says it has memories (s-rams).

Laura Raun in Amsterdam and Peter Bruce in Bonn on the Philips-Siemens Megaproject

theory, at least, start making at Its German chip plant nt any time.
Philips, on the other hand, appears outwardly more con-fident. Dr Wisse Dekker, the company's president, recently denied that Megaproject was too

denied that Megaproject was too little, too late and predicted that it would succeed in leap-frogging the Japanese. "It is to develop aomething better than what they have," he said.

Nonetheless, Philips appears to be running behind its original schedule. When Megaproject was launched, Mr F. C. Rauwenhoff, cheirman of Philips' Dutch business, forecast that pilot production of

technology and its applications. Dr Theo Holtwijk, Philips' head for Megaproject of Megaproject, believes the increasingly specialised needs of ment extends to Signetics, planned DM 240m Megaproject subsidies to Signetics, planned DM 240m Megaproject philips' wboily-owned semiconscipling to Siemens.

Siemens plans to start making component users will create a Philips' wboily-owned semiconscipling to Siemens.

If there were any hint of the Considerability of the considerabil of megabit chips.

Philips will initially make which Philips has a technology general-purpose megahit chips exchange agreement and a joint to a "standard" design but it plans to hulld on its resources Mr Beveridge thinks Siemens. in so-called application-specific faces a higger commercial risk chips, which can be lailored precisely to particular uses.

It expects to sell 85-90 per in d-ram technology than in s-rams. Indeed,

SIEMENS

application-specific markets, they have leverage," he says.
The Dutch Government, which is contributing DF1 200m of Philips' planned DF1 2.5bn investment in Megaproject, seems satisfied with the way its money has been spent so far but it would coosider halting aid if Philips followed Slemens' example by concluding a project with the way its possible. example by concluding & Toshiba-style deal.

The Government also insists that its approval must be sought for any transfer of Megaproject technology outside and to Japan's Matsushita, with

Tosbiba aims to start delivering sample quantities of 4Mb d-rams to customers later this year, about two years before Siemens plans to start making a rival product.

Both Siemens and the West

German research and tech-nology ministry, however, nrgue that the race to develop 4 mega-hit memories is still wide open. that the face to develop the companies, working closely with them to develop chips which can be "designed-in" to their new products while these are still on the drawing board. It plaos to use the rest of its production in its the rest of its production in its cwn range of consumer, professional and telecommunications products.

Mr Jim Beveridge, an industry analyst with the market research firm Dataquest, believes Philips is on the right track. "They have no chance of getting into the first division but they are playing other games besides the standard chip standard chip standard aggressive marketing, attributes for which neither company bas been renowned in the past.

neither company has been re nowned in the past.

In the consumer and sought a hig role in international

project will help launch Siemens into the chipmaking big league. But a wary research ministry is also taking sleps to limit its risks. Since the lead with Toshiba, it has tightened up considerably the terms of its

further co-operation by Siemens with a Japanese competitor, or with a Japanese competitor, or a failure to meet a promised Megaproject deadline. Bonn could demand all its money back. "This project," says a ministry official only half jokingly, "has the sword of

Schlumberger tests new techniques to monitor drilling

BY PETER MARSH

THE OIL-RIG supervisor was in despair. Deep under the North Sea, some six kilometres beneath bis feet, a drill bit scything out rock in an exploration well had just fractured. It would take three days to retrieve the broken bit and restart operations, adding about £150,000 to exploration costs. Meanwhile, the oil-company president was on the telephone, demanding to know who was to blame.

In a bid to reduce such occurrences, scientists in a futuristic-looking lahoratory in Cambridge are collating data using a massive, £4m machine which simulates what happens as a drill bit bores through the artible court does under the earth's crust deep under the surface.

The goal of the scientists, employed by Schlumberger, the oil-services multinational, is to devise new techniques to monitor drilling operations, so speeding up exploration work and cutting costs. and cutting costs.

Such monitoring, known in the oil industry as measurement while drilling (MWD), is essenhel if minerals companies are to make informed decisions about the most promising sites for new fuel deposits. Before production from a new

oil or gas field can start, some 20 wells may have to be drilled, a job thet can take a couple of months for each shaft. Due to the high costs of offsbore work, increasing the efficiency of drilling is particuarly important in exploration work in the North See, where operating a rig costs about £50,000 a day.

Providing MWD services is a business worth about £70m a yeer. The leading companies include Teleco, Exlog and Gearhart (all of them US-owned) together with Anadrill, which is a Schlumberger subsidiary.

MWD engineers are almost exclusively concerned with gaining information from a series of sensors at the bottom of a well shaft, in which a hit (typically about 30 cm wide) is cutting through rock at 2-20 metres an bour, depending on the hardness of the crust. As part of the drive to improve monitoring, Schlum-berger's new £20m laboratory in

Cambridge, in which re-searchers and equipment share accommodetion in an open-plan, tent-like structure, features a drilling simulator into which a piece of rock about the size of n TV set can be clamped in

While a drill blt bores into the sample at up to 200 revolutions per minute, accompanied by mud pumped into the drill hole to remove loose fragments, sensors relay to computers information about conditions such as the rotational ond vertical stresses on the bit and the temperature and pressure of the surrounding rock.

Other sensors that can pro-Other sensors that can pro-vide information include drilling

devices to measure the radiation emitted by rock and the resistivity of any oll in the

STORAGE EXHIBITION N.E.C. 18-21 MARCH REVVO INDUSTRIAL WHEELS & CASTORS Christchurch, Dorset, Tel. (0202) 484211 DON'THOUSE AND VEW THOUSE particular study to find ways to

monitor the wear on drill bits. Drill hits commonly last between 10 and 100 hours before their cutting edges, made from materials such as ittanium carbide, wear out. But determining when this is likely to happen is "largely guess work," according to Dr George Cooper, head of drilling and rock mechanics at the laboratory.

A drill bit that breaks up while in use is a calamity. The resulting fragments of metal, known in oil services terminology as "junk," fisli to the bottom of the hole.

They are then either "fished before their cutting edges.

They are then either "fished out" with a magnetic device or the operator brings in s very tough bit to reduce the metal to powder. If both alternatives fell, the rig crew may have to "kick up," which means it bas to redirect the drill shaft to avoid the metal fragments, a particularly time-consuming

Operation. Using the simulstor, Dr Cooper is seeking to match information from sensors with what is actually happening to a drill bit when boring through a drill bit when boring through a particular type of rock. With the help of computerised signal-processing techniques, he hopes to find trends in the data—for example specific changes in pressure or temperature readings or in the way the torque of the drill bit alters—that indicate the degree to which the metal in the device is wearing. If the research projects prova

resistivity of any ou in the rock's pores.

The simulator, huilt by the design and projects division of Vickers, the engineering company, is seeing use in a over the next couple of years.

EMPHASIS ON OPERATIONAL APPLICATIONS

SCHLUMBERGER'S bridgo laboratory is attempting to introduce advanced scientific principles to drilling for oil, a practice which Mr Bernard Vivet, general mana-

ger at the centre, says is "a little bit of an art." Of the 60 scientists at the laboratory, relatively few have any direct experience of the oil industry. About half are pure scientists, in disciplines such as mathematics, physics and fluid mechanics, who have come straight from univer-

sity departments. The role of the Cambridge centre is to feed expertise to four Schlumberger com-panies: Anadrill (drilling measurements), Flopetrol measurements), Flopetrel Inhuston (well testing), Sedco Forex (drilling operations) and Dowell Schlumberger

(pumping services).
Schlumberger chose Cambridge as the site fur its new laboratory to be close to the city's university (where the company has a good relationship with the applied mathematics department) and because of the ease of access to the North San strang of to the North Sea, scene of some of the world's most diffi-cult nli-drilling operations.

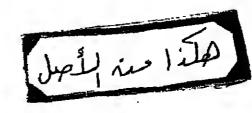
To ensure the Cambridge

scientists do not become too preoccupied with scientific theories, they are told to keep in close contact with managers in the operating companies. Also at least once a year they spend time on

an oli rig.

The Cambridge laboratory is one of five in the \$6.6bn-turnover Schlumberger group.

The others are in Montrouge, France (research into measurement and comrol); Ridge-field. Connecticus (wireline services) and Palé Alto, California (two centres for computer-aided systems and semiconductors).



R LORD

The traditional independence of the 54,000 members of the Royal Institution of Chartered Surveyors is under heavy strain from fee-cutting pressures, a threatened invasion of outsiders and transition to public company status

A professional dilemma

There are 54,000 chartered

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There are 54,000 chartered surveyors and at a rough estimate, the profession provides direct employment for about 350,000 people. Few members of the profession have difficulty in finding secure employment and there is an ever-continuing call for new talent.

Its growth rate could be faster. New talent comes partly from school leavers entering professional offices and studyprofessional offices and study-ing by day release or corres-pondence course, and partly from holders of diplomas or degrees from polytechnics or universities. A typical year's intake produces approximately 1,000 graduates while 840 mem-hers retired or died last year. bers retired or died last year,

A further 900 possible mem-

And the state of

The property industry is feercely competitive, both in terms of top jobs and of appointments. Yet, as Mr Paul Orchard-Lisle, this year's president of the RICS, points out the career pattern and lifestyle of a surveyor can respond very well to the ambitions, efforts and talents of the individual.

"It is a wide profession," he

cised from the sidelines, and under challengs from the Government's promotion of greater competition in the provision of professional services, and the fee-cutting which is the consequence. Oxford or Cambridge but there is room for school-leavers who may have had trooble getting O levels but still have the talent to be a negotiator for a high street agency."

Competitive

For all this, many surveyors feel that they are oo the borns of a dilemma. The Institution is looking to its members to improve their standards but the Government is promoting un-bridled fee-cutting under the cloak of efficient competition. In house agency and com-mercial property sectors there is also an invasion by building societies, solicitors, banking interests and the like.

bers to provide the most com-

By William Cochrane who do not make it through to membership—are lost each year. The property industry is petitive services possible, at the same time pointing to the potential conflicts of interests which outsiders' involvement

Chartered Surveyors

It stands by the professional watchword of every client's right to the objective independence of bis agent or adviser. It questions whether those using the services of others in the financial sector, with different interests to pursue, will always be able to get such a straightforward guarantee.

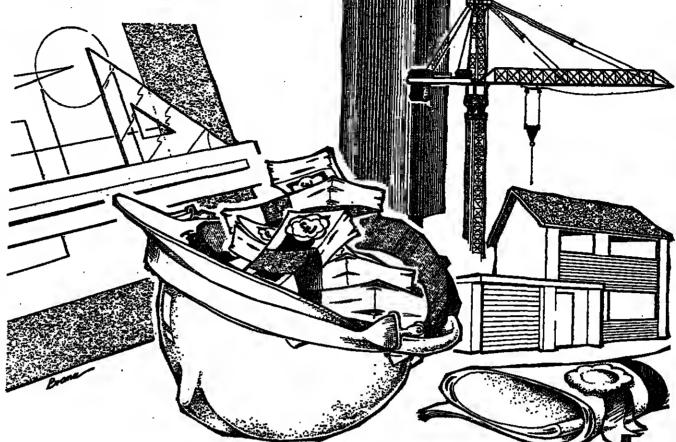
Chinese walls, Mr Orchard-Lisie says, would have trouble standing up to a professional

Britain is unusual in requiring no qualifications for real estate practitioners. The 1979 Estate Agents Act introduced a framework of regulations which, properly administered, would produce a reasonably ordered market place.

The Government, somewbat to the surprise of the RICS-bas not brought into force powers the Act gave to ensure standards of training. The in-stitution also feels the Govern-meot's attitude to competition on fees is discooraging professionals from investing time and resources in continuing profes-sional training or research.

Indeed, research into property has a long way to go. The RICS feels that some excellent interests and the like.

The RICS response to the invasion has been to urge mem
and that the Government should be encouraging the trend by



suggests that research will take off when firms that can afford it learn bow to make it work, in terms of public image as well as

private gain. Mr Orchard-Lisle admits, too,

an insurance scheme to protect money deposited with members, and through various courses of action open to the institution against any member who has

specialists in mineral extraction, the agricultural economy, leisure pursuits and inner city redevelopment, and the great majority of the new town development corporations have been led at some stage by chartered surveyors.

that the quality of investment advice can sometimes seem thin on strategic thinking: "People also sometimes find that property advice is not related to their occupational needs."

The nublic receives the back-

working for better standards. failed to live np to its standards. have been extended over the as civil servants have been additional and almost versely affected by government unique understanding of use and the trend to privatisation. planned maintenance of build-ing materials, the management and supervision of building work and the funding of development projects."

Partnership

About 25 per cent of the membership of the institution works in the public sector — for

CONTENTS

Residential Agency: Predators hover.

Commercial Agency: Tenants' power rises. Getting it Built: Leadership

Investment Services: Filling the

Portfolio Management: Values

built on knowledge. Planning: Conflict stimulates demand. Page 3

appropriate concept is a partnership, particularly with the

private sector adding specialist skills which cannot be retained economically in-bouse, and dealing with the public sector's overload of work," he says. RICS policy is to expect all its

members to put in a minimum of 20 hours' structured learning every year. The College of Estate Management at Reading University is bandling its third intake for a project management diploma and is working with the Institution on the formula-tion of diplomas in sbopping centre management and property

These last two diplomas hint et the institution's coocern that its members should be more alert than in the past to the interaction of the world of property with financial markets and their strong management

RICS officers are much more concerned with readying the surveyor for this than in speculating on the "Big Bang" revolution in UK securities business which has already seen agents. as civil servants have been adversely affected by government chant bankers Morgan Grenfell.

uts and the trend to privatisa-on. More moves like this are re-garded as likely and one or two more agents are expected to go public via a stock market quo-tation. There are also thought likely to be many who will tread this path, at least in part because a lot of clieots will still want a traditional independent it is wrong to demolish highly skilled departments and teams which have been built np over the years," says Mr Orchard-Lisle. "There is a substantial want a amount of public sector work service.

which cannot properly be con-tracted out to the private sector and the cootinuation of a vibrant in-bouse professional team remains an important Surveying firms which stay ina professional view as to the optimum use to which any area of land can be put in both the short- and long-term," Mr Orchard-Lisle comments, "In development the traditional surveyors' skills in the valuation of land and buildings works in the public sector.

Which cannot property be contracted out to the private sector and the continuation of a tracted out to the



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Predators hovering as new chains are forged

Residential Agencies

DAVID LAWSON

RESIDENTIAL estate agency is in the early stages of a revolution. The changes in ownership and operations now taking place are reminiscent of the shake-up in retailing over the past 20 years as chains of food stores supplanted the

Just as it dawned on a few aggressive retailers and per-ceptive outside investors that food was a constant and rich flow of income to build on, so the boom in house ownership and the possibilities of exploi-ing associated personal finance have drawn estate agents into a wider business field.

Agency groups have been growing in strength since the bousing booms of the 1970s, when 30 per cent profit on turn-over was common. The more aggressive agencies set about expanding market share by buying rival firms or setting up additional branches in their region of operation. Then Lloyds Bank swept into the business, buying agencies and quickly becoming the largest

Few faces changed, with

financial planning, a discipline often neglected by the average professional partnership. Other leading chains, such as Surrey-based Mann & Co and Bairstow Eve in the Home Counties, realised the need for more capital to fight the competition and they changed into public companies and sold shares.

Within the Royal Institution of Chartered Surveyors, which shares professional representation of the agency side of the industry with the Incorporated Society of Valuers and Auctioneers, the National Association of Estate Agents and e few smaller bodies these moves have forced some rapid rethinking. Current rules forbid chartered surveyors from being directors of agencies although ironically, they allow directorship of a property development company. They also rule out holdings of more than 25 per cent by passive outside investors.

The RICS is due to remove these anomalies this year, but some members, among them Mr Jeremy Agace, head of Mann & Co, have left and may not rejoin. The consternation of the pro-

fessionals was equalled by the delight of the City of London at the flotations. Lloyds Bank bad focused the financial world'a Lloyds in most cases retaining attentions on the potential of existing management, but the previously mundane world the injection of new money of bouse selling.

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CHARLES HAMMOND



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was invaluable, making it in the UK each year and some possible to attract staff, buy 70 per cent pass through the computers and boost marketing. The new owners were able also to introduce the computer of t variously estimated at between £300m and £600m a year. This income has an inbuilt inflation hedge, as nouses on average bave risen in price more than inflation. The future looks bright as home ownership continues to rise from its present level of about 65 per cent of the adult population to a likely maximum of about 75 per cent in the next

Yet even these aums could be small in relation to the income possible from selling financial services such as insurance and mortgages. When Mann floated last year, some 20 per cent of its profits were said to be from this rea, while Bairstow Eve bas raised its mortgage business to this proportion in 1985, when it

sold fibn worth of bomes.
This is why BE's issue was
times oversubscribed, and
similar interest was shown in similar interest was shown in Connells, which was only the 17th biggest agency in the UK (compared with 2nd and 3rd respectively for Mann and BE) when it went public in 1984. It is also why Hambro has just paid more than £75m for 80 per cent of BE while Legal & General has taken an 8 per cent stake in Connells. stake in Connells.

The Prudential, Britain's biggest institution, has taken over a provincial agency to test the field of property services, while the broad-based conglomerate, Hanover Investments, bas acquired some well-known s, including Druce and Co,

names, including Druce and Co, and is bunting for more.
Chartered surveyors are caught in a dilemma because their concentration on professional standing has not equipped them in general for this financial activity. Some of the more expansion-minded would like to go public, but the 9,000 or so firms in Britain are mainly small partnerships.
"These do not have to keep audited accounts and it is a proviso of a listing to have five years' audited records, so there may be a delay before we see many more flotations," Mr Agace says. Agace says.

trying to become more efficient —and to persuade the public that it is worth baving a chartered surveyor to sell your bouse. Extra competition is bouse. Extra competition is coming from cut-price property sbops and services provided in stores like. Woolworths and Debenhams. Even some solicity's are opening agencies.

RICS members admit that you do not need to be a chartered surveyor to sell bouses, but the qualifications are important for

qualifications are important for essential technical work like surveys and difficult sales.

You may not need to be qualified for 90 per cent of sales, but you cannot tell in advance which ones the other 10 per cent will be," says Mr Peter Miller of Storcy Sons and Parker, based in northeast England and RICS bous-

ing spokesman.

The sole agency practices in this part of the world mean surveyors are usually in the

Peter Miller, RICS housing spokesman

front office bandling sales. But in the south, according to David Robinson of King & Chasemore. where multi-agency is the norm surveyors tend to be in the back-room, although they are atill considered just as important for the technical

problems.

Support for qualified staff comes from Mr Agace. "We do not use surveyors for selling houses but we employ a lot of qualified people to do all the technical back-up," he says. He believes the various professional bodies ahould get together to produce a bouse-selling qualification and is bighly critical of the lack of marketing training the lack of marketing training by the RICS. Mann runs its own training courses and examina-

Mr Roy Mercer, bead of Black Horse, the Lloyds Bank group of estate agencies, has also castiing. even though he could not fault the professional grounding of the 237 RICS and ISVA members employed within the organisation. But the RICS has recognised its weakness and set up a new training certificate in marketing.

are sometimes other sgents), and the need for better mar-keting and management skills. Within the next decade a new balance will be created with balance will be created with about 10 nationwide chains and a lower tier of smaller agents relying on their local market knowledge or the personal contact needed to sell more expensive houses. Mr Miller predicts.

"The boilding accieties may come in for a few years before they realize it a not so lucrative.

they realise it is not so lucrative as they thought—nor so easy. You cannot apply retailing techniques, as the process of buying ie so loog that people have time to change their mind. You cannot persuade them to buy something they do not want."

Cut-price already finding that something like 80 per cent of overbeads

Like the corner shop, the small agent could retain its bold because the owner is will-The future shape of the ining to take on a way of life produstry is being moulded viding a personal and technical between twin pressures—the attentions of predators (who chartered surveyor came in

Rise of tenants' power demands new approach

Commercial Agencies

DAVID LAWSON

THE RISE of tenant power has changed the business of buying, selling and leasing business buildings—the most visible of the services provided by surveyors and the one most associated by the public with estate

At one time a developer would put up his office block, or an industrialist would clear or an industrialist would clear out of his redundant factory, and then call in the agent to find a new tenant. The reces-sion of the 1980s bas finally killed off that trend. There tend to be more buildings than tenants, who correspondingly now have a lot more power to

pick and choose space.

"We now have to be in right from the start." says Mr Julian Shellard of Richard Ellis, one of the top half dozen commer-cial agencies based in the UK. "We need to do a lot of re-search, give a lot of advice on what potential tenants will want and take a lot of trouble over the right sort of marketing."

A much greater degree of technical knowledge is now required. Letting a small office suite in the City of London, or a small warebouse in Sbeffield. a small warecouse in Spelaeid, may not require the panoply of a full surveying education and qualification from one of the professional bodies—just good salesmanship. Most work in today's tight markets bowever, needs background knowledge of the technical specifications

related to the efficiency and servicing of bulldings so that the questions of more demand-

the questions of more temantiing potential tenants can be
properly handled.
Similarly, developers and
owners selling or letting buildings demand full briefings from
agents of the market potential,
relative rent levels and correct
designs and modifications to indesigns and modifications to in-crease the chances of a quick transaction. Agency teams and even in-dividual partners in small firms

might still retain a separate role from the building role from the building surveyors, rating valuers and investment advisers in their office, but they have acquired some of this specialist knowledge because they need to draw together the information for planning and marketing campaigns.

paigns.
"There is no great necessity
to be a chartered surveyor to
buy and sell space," Mr Sbellard says. "But when you are
giving advice on decisions which
can cost a great deal, it is important to be as well qualified
as you can." as you can."

The rewards for agency work can vary. Since the dismantling of the professional bodies' fixed of the professional bodies' fixed fee scales these generally involve about 10 per cent of a year's rent or 1½ per cent of the premium on a freehold sale. This can be an attractive return on the letting of a 70,000 sq ft London office block at rents upported of 500 and ft although wards of £20 a sq ft. although not so startling on a 3,000 sq ft warehouse in the provinces let a £1.50 a sq ft after a lot of sweat and overheads to pay. In bnoyant times agency fees

can provide more than balf the income of a mixed practice, although they tend to average



Julian Shellard, of Richard Ellis

about 30 per cent. These are less buoyant times bowever, and aa Mr Michael Dix of Richard fallen from its exalted position as an inflation hedge and now must sell itself as an investment ln a consumer-led market,

That means less business and fewer fees. In the US, brokers do their best to make up by trying to poach business established clients from each other. UK professional bodies forbid such actions but Mr Shelforbid such actions but says that a great deal of time is spent approaching com-panies (through their advisers if they have them) to offer advice on redevelopment, relo-cistion, rationalisation and other property matters, often long before the company has considered such action itself.

Some agencies cut fees to win tenders for work, but this tends to be self-defeating as clients are looking more for sound advice rather than the saving of a reletively small

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Pile

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Challenge for leading role in construction team

Project

Management

MIRA BAR-HILLEL

"It is of little value to a client to get a superb building quickly

and cheaply-only to find that It

is the wrong location, or that an

economic return would require

far higher resits than-the local

norm," says Mr Warner. But

engineers once the correct

Mr Michael Finn, senior build-

ing surveyor at Drivers Jonas,

agrees. Special qualifies of leadership ere required and it is important for clients to make the right personal choice. The surveyor should not bide bis light under a bushel, he

"The project manager should

not manage without it being

noticed that be is there. He

must generate the feeling of comradeship and team spirit which is so vital—and bopefully

But few believe that architects

are still capable of leading effectively in todays conditions, albeit with some exceptions.

All the management-based innovative approaches to con-struction up to full design and build (which takes about 5 per

cent of the market) are rooted in widespread dissatisfaction with architects' leadership. This

is a problem not beiped by the

almost total sbsence of instruc-tion in project management from the lengthy architectural trainlog syllabus.

Building surveyors also make

tion to begin.

THE Nissan Motor factory at Washington, Tyne and Wear, was completed just before Christmas to the satisfaction In the meantime, agents are not only of the main contractor, Sir Robert McAlpine, but also of the exacting Japanese client, senior engineering adviser Mr Akira Shimanuki. The £20m contract, which within both time and costm spite of a serious delay caused by a sub-contractor — was managed from the beginning by quantity surveyors Turner and Townsend.

Contact with Nissan had been made in 1981. Only weeks after Washingtaon was chosen as the location, full tenders were received and four short-listed contractors interviewed. In view of Nissan's special requirements for speed and reliability, says semior partner Geoffrey Townsend, "tradi-tional UK methods of tender procurement were not even worthy of serious considera-

The unorthodox approach by Nissan, which included a penalty clause rumoured to rave been £50,000 a week, paid off all round.

The project highlights the uppopularity of "treditional" contracting methods and the role which this trend offers make an ally, not an enemy, out of the architect," Mr Finn says. Clashes with the architect— almost inevitable in forms of chartered survoyers who are trained to owa full allegiance to their client. amost inevisible in forms of contracting which involve non-architect team leaders — are difficult to air in spite of their importance. Surveyors, especially QSs, are often nominated by architects and therefore rejuctant to be quoted.

Confidence

"A project manager must bave total awereness of his clients' requirements, the input required from consultants, the responsibilities of the contractor and the potential problems and liabilities which may arise," says Mr Ian Miller, a partner with constitute surveyors. partner with quantity surveyors Gleeds.

"The QS is ideally placed to fulfil this role because the whole training tends to produce meticulous documentation and programmed methods of work." Gleeds bas set up a company offering project management.

"The quantity surveyor alresdy has the client's confi-deoce, having been involved at and procedures, integrating within them the information provided by the other professionals, giving bim an invalnable overview of the entire situation." Mr Miller says.

General practice Surveyers

General practice surveyors may become involved in an early stage, perhaps even earlier than the QS, if the client seeks property advice before looking elosely at the construction behaviour of buildings. Overall, however, quantity surveyors have an edge, as their

"The full working knowledge of the industrial and commercial of the industrial and commercial processes can only be found in be required by clients even if the multi-disciplinary practice of chartered surveyors," says Mr David Thomas, of Norman Rourke & Partners. This theme is amplified by Mr Michael Warner of Ricbard Ellis, who makes much of the surveyor's ability to admit he does not know all the answers. But he does know where to find them, and is never too proud to call in expert advice.

surveyors have an edge, as their specialist specialist specialist services are likely to be required by clients even if they are not leading the project.

Design and build specialists, DC Group, suggest that the client bas a QS advising him before, during and after the contract to make sure he is getting the best deal—especially with a guaranteed maximum price (GMP) cootracts.

At Gardiner and Theobald it is a practice for the QS

Much is made by general practice for the QS tice surveyors of the property meetings to discuss and aspects of project management.

before they become contractual problems. "The QS is a key member and increasingly the co-ordinator and communicator of goals and targets," says Gardiner & Theobald's researcher Mr Chris Watson.

"He must ensure that the client's original objectives are met and, if these should change, then this should bappen with the least repercussion and with the client's full knowledge of the possible implications before any change is decided upon." The QS can even be a blessed

peacemaker in the thorny field of industrial relations, as Mr Arika Shimanuki found first agents to bandle architects and hand. "Your strict demarcation

property decision has been between trades leads to a lack taken and it is time for construction of co-operation between workers and several days may be lost correcting mistakes. In Japan carpenters and steel fixers, for would belp each

This general observation could bave had serious effects on the contract were it not for Turner & Townsend agreeing ar "oversli industrial relations philosophy" and bolding frequent meetings, to make sure that such problems never arose.

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Some current questions for property investors...and

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Drivers Jonas has recently been working on a study of "The Accommodation Needs of Modern Industry" for the Department of the

the answers.

Is accurate, detailed and extensive information on property investment performance readily available?

What is the likely impact on

one-fifth of UK institutional property Drivers Jonas has assisted British

Drivers Jonas is one of the firms

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communications technology? Do surveyors appreciate the scope for harnessing information technology?

commercial property of advancing

Telecom in establishing sites for over fifty cellular radio installations.

Drivers Jonas has designed and developed sophisticated computer software systems for the UK's largest

institutional property investor.

On further thought Li



William Cochrane reports on the growing importance of financial and asset management services

Profession sets about filling knowledge gap

Investment Services

SPECULATION has been rife about the role of the chartered surveyor in the reformed UK securities industry after Octobere "Big Bang" has reshaped the City of London.

The question can be posed-perhaps simplistically—whether the surveyor wants to grow up and become an independent component of the financial sercomponent by, or to get rich quick as an instantly capitalised offshoot of one of the City's new financial conglomerates.

One of the best things the profession has done is to acknowledge its limitations.

"There is a gap between what a property owner is looking for and the advice that he gets," according to Mr Christopher Jonas, senior partner of Drivers Jonas. "He may be aiming to compare the prospective total return on his property with thet of an alternative investment. yet many of these owners are still happy to accept invest-ment advice which reports only on the open market value of the

Good stockbroker analysts will have detailed working paper with in-depth trading forecasts leading to earnings projections, capitalised by a figure which reflects medium-term prospects to calculate the value of an ordinary share.

"It does surprise me. glven that the property valuation has to have been based on a pro-jection of growth, that fund managers do not probe the point deeper with their advisers," Mr

He gave an example of how it could work. Rental levels represent demand for space fuelled principally hy company profits. These in turn reflecting retail spending or the equiva-lent in the incomes of indus-trial and commercial com-

understanding the relationship of a property yield with other interest rates and other forms of security." In other words a 6

perty industry would know that a 6 per cent yield on a property, end a 16.7 years' purchase of net income, is the same thing.

have limited access.

Create a vehicle which would supplement the activity of hig investment institutions. Not many people in the property business would draw distinctions of quality between net classes of investor. property income and net cor-porete earnings—although company "earnings per share" ere rarely available in full to pay dividends to shareholders.

Unitisation

Mr Jonas says portfolio selection, and attitudes towards it, could also be improved. Decisions on property investment could be less reactive—less heart that authorised unit trusts should be created to hold these single properties.

The team is still working on hind events than in the anticlpaket it will need may help this to happen.

He likes the analogy of the old hand in the New York equity market selling insurance shares when a hurricane is an

On portfolio selection he says recommend a minimum number of holdings rather than e maximum one, although there wes a a dozen properties would be Estates.

20 properties would be prefer-able," he says. The problem would be funding quality property in small enough individual holdings. That is where unitisation can

panies.

"Movements in rents lag 18
months helind profits and dividends, so those profits and dividends are key leading indicators, ficial, according to a report by for the property market," he the Royal Institution of Charseys.

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THE DIFFERENCE BETWEEN AVERAGE PROPERTY YIELDS AND EQUITIES

Open a wider range Open a wider range of The surveyors showed up property investment opportuniwell, as they did on the Rics ties and eneble an investor to

spread, risk through e taxneutral vehicle. The Rics working party, under the chairmanship of Mr Colin Vaughan of Debenham, Tewson and Chinnocks, recom-

who should make the market and tion of them. The unitisation bow it should be mede. How-process end tha more liquid mar-ket it will need may help this up by Mr John Barksbire, chairman of the City conglomerete Mercantile House, has looked et the trading possibilities of single property funds.**

The team combined the views "We do not have that, or its equivalent, in direct property investment yet."

In the an interpretable is approached to the chartered surveyors (Mr Chartered surveyors (Mr Florida, of Chartered surveyors (Mr Flo brokers (Mr Peter Hardy of Rowa & Pitman end Mr J. B. Drivers Jonas would tend to Hyslop of Phillips and Drew), and fund managers Mr Michael Mallinson of Prudential Assurance, Mr J. Martin of British management cost in having too ance, Mr J. Martin of British many small holdings. "For Petroleum and Mr D. L. Jackson smaller funds, to be in less than of Wilverley & Hampshire

per cent yield be compared with the return on fixed-interest in large urhan reneweal prosecurities like gilt-edged stocks; a 16.7 years' purchase of net property lncome may reflect earnings well against a price earnings investors and, in due course, ratio of 20 on an ordinery share.

The public to participate in a widar market, to which they system, auch as NASDAQ in the US.

legislative changes and the subject remains open until May 31 for discussion—including two the City of London in April and May.

committee, this time hearing comparison with specialists in other fields. The crunch will come when they put an investment property on this vehicle * The Unitisation of Real Pro-

perty - Royal Institution of Chartered Surveyora.
** The Unitised Unitised Property



Colin Vaughan (left) and John Barkshire have headed studies of new investment methods.

Conflicts stimulate demand for advice and negotiation skill

Planning

ELAINE WILLIAMS

Glasgow mean the outcome is

seen as a crucial test of plan-

ning policies which protect town centres.

Other planning disagree-ments are constantly being

demand for surveyors to pro-

helps minimise costs and delays

Mr Stuart Robinson, of Hillier Parker, a leading UK firm of

chartered surveyors, says be is most frequently involved in interpreting the legal frame-work of planning in five areas:

Changes of use, particularly with buildings where the plen-

ning history is complex or un-

Interpreting

Conservation.

Compensation.

yet appeal again.

PLANNING is in a state of confusion. The pressure and pace of new forms of building development has resulted in a mismatch between the needs of the construction industry and plan-ning legislation. This mismatch is particularly evident in the growth sectors of retailing and high technology which tend to

legislation as ontdated. Developers of superstores and high-technology or office complexes often want greenfield sites, while local authorities are Pressure to huild other regional shopping schemes around the M25 in the south and hetween Edinburgh and often dedicated to rebuilding or protecting town centres, says Mr Eric Davies, senior partner of G. L. Hearn & Partners.

An example of such a conflict was the five-year battle between developer Mr Derek Penman developer Mr Derek Penman and Blaby District Council over plans for a 1.25m sq ft shopping centre outsida Leicester. Mr Penman had argued that his Centre 21—on a aite 3½ miles from Leicester at the jnuc!lon of the M1 and the A45 would hring the equivalent of London's West End shopping to the Midlands and create considerable employment.

The planners, backed by the Environment Secretary, rejected the scheme several times because of fears that re-

of their main roles as providing advice on urban renewal, pre-servation and general land use against the hackdrop of legislation, economics and develop ment potential.

Confrontation between pres tailers in the centre of Leicester would lose trade. After a public inquiry and four High Court appeals, Mr Penman lost enother round in his battle to win approval for the scheme in highest total for 12 years. It is likely that this number of the court last month but may likely that this number of eppeals will grow because of pressure for sites in areas affected by the M25 and green

belts.
"The tide is going out for planning controls," says Mr John Trustram Eve, senior partner with J. R. Eve. To promote growth there would have to be an easing of restrictions. to be an easing of restriction

thrown up because of pressures to create jobs by hulding now factories and offices — but coming up against the fact that few people want to live near party within the Royal Institute of Chartered Surveyors looking such developments. Trying to create a balance between jobs and the environment is difficult. Such conflicts have stimulated at the future of planning in Britain. He believes that sim-rified planning procedures will be important for creatiun of orportunities but that the vide edvice and to negotiate between local authorities and the private sector. Such advice

when clients are faced with in-creasingly complex legislation. Chartered surveyors on the Property Advisory Group, a government "think tank," have also suggested radical Some specialise in planning, putting proposals for developments in local and national market context, end handling the design, construction, funding and cost levels.

During the past 20 years planning consultancies have emerged as an important area But surveyors are not alone Assessment of planning gain.
 Appeal advice.
 Appeal advice.

ingly competitive as the build-

Chartered surveyors see one the pressure of the recession.

and planning practices. Mr Eve is involved with the CBI working party looking at the potential within inner London and chairs a working

public's often hastile attitudes towards new developments must change to take advantage of

changes in the tight categories of husiness use for huldings. These could enchie many planning disputes to be eliminated.

of property advice. Between 1983 and 1984 the number of planning consultants increased by 50 per cent and firms like Hillier Parker have specialised planning departments to help advise clients on the problems of property development.

Values based on experience

other investment media."

going about this

He lists four main ways of

First, and easiest, to ensure

that tenants are bappy and de-mand for the huilding is con-

stant and increasing — "to create an environment better than that of the competition."

To work on the frequency of

centre at Reading. The tenants bava been less than prime but the refurbishment is attracting

prime quality tenants and e better class of customer."

Hilier Parker, which manages
14 shopping centrea end could
be instructed on six or seven
more soon, believes the refurb-

ergument can apply to any type of property. "If you take the

risk of buying run-down pro-perty, then management can really move it," Mr Redhead

"There

Ingrown

Portfolio Management

AT A time when property has it is ironic that its investment in controversies over valuation, performance measurement, unitisation and the role of prime yields.

To work on the frequency of rent review—"the more frequent, usually the more value."

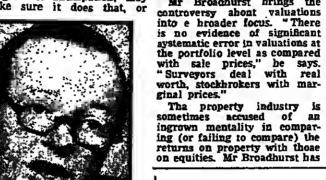
To improve the type of tenant, the quality of covenant, perhaps to get change of use.

To decide when a property needs major re-investment. "We are dning a hig refurbishment project at the Butts shopping centre at Reading. The tenants But this may be the time that property—lagging equity investments by up to 21 years—is about to improve perform-

In the meantime existing portfolios bave to be managed. Mr Rohin Broadburst, City investment partner of Jones Lang Wootton, draws e distinction between asset, portfolio and property management. property management.

"Property asset management embraces the skills required to maximise the total return from a property portfolio on bebalf of a client," he says. This includes portfolio and property management.

Mr Peter Redhead, of the property management arm of Hillier Parker, aays: "The client wants growth in value—capital, "It is important to take the same attitude on new developments. In property management we get involved in advising rents or a combination. Pro-perty managers want a building management on ahopping centres before they are built." to grow to anticipation; they make sure it does that, or Mr Broadhurst brings the



hank—funded by Chestertons, Cluttons, Debenham Tewson &

"will require market capacity"

put the boot on the other foot

by comparing the quality, and hence the level of risk. "Valuation is an expression

forward properties commonly fall within a 5 per cent band,

more complex properties may produce opinions showing a

overcome the problem by working with a valuer over a long period and learning to understand the ettitudes adopted."

Another area of potential conflict has been performance

Chinnocks, Drivers Jonas, Savills and Weatherall Green & Smith-to record the Individual property investments of the major institutions. Meanwhile, Healey & Baker, Hillier Parker, Jones Lang Wootton and Richard Ellis have

been working together on the pllot Property Index study to provide reliable indices of total return and capital value movements in the property market The two groups bave now got together, with IDP providing data for the property index. In future the collation of data and compilation of the Property Index will be carried ont by an independent body and published

by the Royal Institution of Chartered Surveyors.

The property industry is get ting into one of the age-old arguments of investment management—whether active dealing, is a good idea, perhaps

of an opinion and the value of the opinion largely depends on the knowledge and experience of ell facets of the market," he says. "The quality of opiniona not guided by peraonal know-ledge of the market are suspect. "While valuations of straightto the extent of institutions holding some properties in a dealing portfollo.

Mr Christopher Jonas, senior partner of Drivers Jonas, says this will first require market capacity. "The dealing has been

construed by the high cost of trading and, until recent years, the lack of reliable information larger divergence. Given that property is not a bomogeneous market, this situation is inevitable.

"Most property owners have on which to hase decisions," he says.
"Property is an imperfect

market. If you deal out of it you bave to be happier in cash, or something else. While you can turn property into cash in 60 days if you are lucky—certainly in 90 days—it is harder to get cash into property. So dealing to improve portfolio performance is frustrated."

Mr Jonas forecasts that until

measurement. Commentators have been finding it hard to decide whether this is a tool for investment managers, a stick we have a more fiexible form of investment—such as unitisa-tion, or its equivalent—the proto heat them with, or, a whip for self-flaggelation. perty industry will not be eble to achieve active trading in port-Important work, however, has been done on hasic data. Mr Rupert Nabarro bas established folios to anything like the same extent as other securities marreturns on property with those Rupert Nabarro bas established exter on equities. Mr Broadhurst has the Investment Property Data kets.

CHARTERED SURVEYORS FUND, DEVE AND MARKET



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THE ARTS



Music

PARIS

Bernard Ringeissen, piano, Chantal Bastide, soprano, Orchestre d'Har-monie des Gardiens de la Paix conducted by Claude Pichaureau: Du-kas, Schubert, Mozart, Donizetti, Gershwin (Mon 6.30pm) TMP-

Gershwin (Mon 6.30pm) TMP-Chatelet (42330000).
Ensemble Orchestral de Paris conducted by Sandor Vegh, Jean-Pierre Wallez, violin: Beethoven, Schubert (Tue). Salle Pleyet (45610630).
Peter Schreier recital (Mon). Theatre de l'Athenée (47428727).
Orchestre de Paris, Dietrich Fischer-Diesknu, baritone, Hartmut Hoeil, piano: Wolf Mörike lieder (Wed).
Salle Pleyel (43610830).

piano: Wolf Morike Beder (Wed).
Salle Pleyel (456t 0630).
Nouvel Orchestre Philharmonique
conducted by Wolfgang Doerner and
Maitrise de Radio-France; Mozart,
R. Strauss, Mendelssohn (Thur).
Salle Pleyel (4561 0630).

Moura Lympani, piano: Ravel, Debus-sy, Rachmaninov (Thur). Salle Gavenu 14563 20301.

LONDON

City of London Sinfonia and Richard Hickox Singers conducted by Ri-chard Hickox, Finzi, Elgar, Vaughan

Opera and Ballet

DARIS

Paris Opera: La Traviata alternates with Cherubini's Medea cooducted by Pinchas Steinberg in a new pro-duction by Liliane Cavani with Shirduction by Linana Cavani with Sin-ley Verrett/Dunja Vejzovic in the ti-tle role and Werner Hollweg as Ja-son, Also Tchaikovsky's Manfred choreographed by Rudolf Nureyev with the poet danced by Charles Jude/Jean Guizerix, the sister by Florence Clerc, Karin Averty and the Countess by Monique Loudi-eres/Elisabeth Platel. (42665022). aurice Beiart's 28th century hallet

Maurice Bejart's 20th century hillet follows le Baiser de la Fee by Le Concours danced to mu Hugues Lebars, Adam, Tchaikov-sky, Strauss, Palais des Congres. (42662075). L'Ecume des Jours: A world premiere,

music and text by Edison Denisov, inspired by a Boris Vian novel. The orchestra, which includes two saxo-phones, electric gultar, Jazz plano and drums is cooducted by John Burdekin. Opera Comique (4296 1220).

Signor Bruschino: Rossini's onehour opera conducted by Jerome Kaltenbach, at 8,30pm at the TMP-Chatelet (42334444).

LONDON

Royal Opera, Coveot Garden: After an absence of some years The Flying Dutchman returns to Covent Garden in a new production by Mike Ashman conducted by Gerd Al-brecht with Simoo Estes, Rosalind Plowright, Slegfried Jerusalem and Robert Lloyd. Oo Suoday evening Dietrich Fischer-Dieskau gives another of his Celebrity Recitals in the

English National Opera, Coliseum: Another brand new Wagner production this week, even more eagerly awaited: Parsilal in Andrew Porter's En-glish, conducted by the great Regi-nald Goodall, produced by Joachim Herz, and with a cast including Warren Ellsworthy, Anne Evans, Gwynne Howell, and Neil Howlett. Also in repertory: the ENO's lively, well-sung account of Jonathan Miller's "dream-in-a-library" Magic Flute, and the company's largely un-

and Gloria.

WEST GERMANY

Berlin, Deutsche Oper: This week's bighlight is Tosca starring Janis Martin and Giorgio Lamberti, Mad-ame Butterfly bas Yoko Nomura, Helga Wisniewska and Franco Tagliavini. Also in the repertory: Der Rarhier von Sevilla and Die lustigeo Weiber voo Windsor.

as Kundry. Faust, with a complete new cast, leatures Andre François, Gabriela Benackova and Alberta Cuoldo, Fidello has Lisbeth Balsley brilliant as Leonora and James King as Florestan. Frankfort Opera: Hector Berlioz rare-

ly played Die Trojaner is again of-fered this week. Anja Silja's masterly Kassandra leads a strong cast. Premiering this week is Orpheus in der Unterwelt, produced by Jürgen Tamchina, Don Pasquale has fine interpretations by Julie Kaufmann, Bodo Schwanbeck and Barry Mora. Cologne Opera: Madane Butterfly brings together Yoko Watanebe in the title role and Tone Kruse. Tristan und fsolde is well cast with Rene Kollo and Jeannine Altmeyer. Lucia di Lammermoor rounds off

Munich, Bayerische Staatsoper: Elek-tra, conducted by Heinz Fricke, is

monic, with Heinrich Schiff, cello. Rimsky-Korsakov, Tchaikovsky. Shostakovich (Thur). Recital Hall: Glinks Quartet, with George Pieterson, clarinet, and Ronald Brautigam, piano. Prokofiev (Fue). Schoenberg Ensemble. Dallapiccola. Berio, Scelsi, Nono (Thur). (314544). Botterdam, De Doelen, Recital Hall: Mozart quintets performed by mem-bers of the Orchestra of the 18th

Century (Mon). (14291t).

VIENNA

Zurich Chamber Orchestra conducted by Edmond de Stoutz with Dang Thai Son, piano: Haydo, Mozart, Tchaikovsky, Konzerthmus (Tue).

ilwaukee Symphony Orchestra con-ducted by Lukas Foss with Ivo Po-gorelich, plano. Bach, Schoenberg, Foss, Tebaikovsky. Konzerthaus.

(Tue).
Huguette Dreyfuss, harpsichord. Bach
and CPE Bach: Albertina. (Wed).
Vienna Symphony Orchestra conducted by Leopold Hager with Tsuyoshi
and Chairles Whittle.

Tsutsumi, cello, Christine Whittle-sey, soprano, loana Borovska, alto, Richard Karczykovski, tenor. Schu-mann, Mendelssohn, Musikverein.

NEW YORK

New York Philharmonic (Avery Fisher Hall): Pierre Boulez conducting.

Phyllis Bryn-Julsoo soprano. Stra-vinsky. Debussy. Boulez. (Tue); James Conlon conducting, Salvatore Accardo violin. Copland. Paganini, Prokofiev (Thur). Lincoln Center (272/262)

Prokonev (1814). Iamesin Center (3742424). arnegie Hall: Y Chamber Symphony. Gerard Schwarz conducting, Alexis Weisenberg piano, R. Strauss, Mo-zart, Stravinsky, Weill (Mon); Bella Davidovich piano recital with Omi-

try Sitkovetsky violin. Mendels-sohn, Grieg, Mozart, Ravel (Wed).

Royal Philharmonic Orchestra con-ducted by Vladimir Ashkenazy with womeo of the London Symphony Chorus and Jessye Norman, sopra-no. Debussy and Berlioz, Royal Festival Hall (Wed). eethoven's Missa Solemois with the

Williams and Holst Barbican Cen-

Esa-Pekka Salonon, Mahler T. Roy-

tre (Mon). (638 8891).
Philharmonia Orchestra conducted by

8. Royal Festival Hall (Tue).

Rectioven's Missa Solemois with the English Chamber Orchestra and Tallis Chamber Choir conducted by Jeffrey Tate with Margaret Marahall, sopreno, Ann Murray mezzosoprano, Dennis O'Neill, terror and Stafford Dean, bass. Barbican Central West

tre (Wed).
London Symphony Orchestra and Pro
Musica Chorus conducted by Marek
Janowski with soloists including Jill Gomez, soprano. Beethoven a Mozart. Barbican Centre (Thur). Borodin Quartet. Shostakovich (Th Queeo Elizabeth Hall (9283191). Philharmonia Orchestra conducted by Esa-Pekka Salonen with Kyung-Wha Chung, violin. Sibelius and Schoenberg. Royal Festival Hall

NETHERLANDS

Amsterdam, Concertgebouw. Anton Kersjes conducting the Netherlands Philharmonic, with Heinrich Schiff, cello, Rimsky-Korsakov, Tchaikovcello. Rimsky-Korsakov. Tchaikovsky. Shostakovich [Mon. Tue). Recital Hall: Carolyo Watkinson, mezzo, ncompanied by Rudolf Jansen. Schubert, Mahler. Wolf. Obradors, De Falla (Tue). Ik-Hwan Bae, violin, and Daniel Blumenthal, piano. Mozart. Beethoven. Bacb, Debussy. Chausson (Wed). Radio Chamber Ensemble. Ruppe, Brandt Buys, Van Anrooy (Thur). (7183-5). Van Anroog (1807). (118379).
Urecht, Vredenburg. Jean-Bernard
Pommier, piano. Haydn, Beethoven.
Chopin (Wed). Anton Kersjes conducting the Netherlands Philhar-

sohn. Grieg. (2477459). (2477459). Saufmann Hall: Chamber Music with respectable with Astrid Varnay, Ingrid Bjoner and Carmeo Reppel: Don Giovanni is worth seeing with

satisfying Madam Butterfly.

Royal Opera House, Covent Garden:
The Royal Ballet offers a triple bill
of Frankenstein, Consort Lessons Joffrey Ballet (Opera House); National

CHICAGO

Vienna State Opera; Der Rosenkava-

lier and The Marriage of Figaro. To-kyo Bunka Kaikan (2627141; Hamburg, Staatsoper, Parsifal bas Gabriele Schnaut making ber debut VIENNA

Edita Gruberova, Trudeliese Schmidt and Kurt Moll. Manon is a Jean-Pierre Ponnelle production. Al-so offered Volker David Kirchner's WASHINGTON

tour of the noted international opany. Ends March 23 (254 3770).

Pilobolus Dance Theatre (Goodman): Traditional dance combined with gymnastic daredevilry makes this a popular contemporary troupe. Ends March 23. (443 3800). TOKYO

Volksoper: Schwanda der Dudelsack-pfeller by Weinberger; Orpheus in the Underworld: Die Csardasfürstin, La Boheme (5324/2657).

Metropolitan Opera (Opera House):

tures Sir Peter Hall's production of Carmen conducted by James Levine with Maria Ewine in the title role, Catherine Malfitano as Micaela and Placido Domingo as Don Jose. It joins the repertory of Simon Boccanegra with Kiri Te Kanawa as Amelia and Sherrill Milnes in the title role cooducted by Myung-Whun Chung, Falstaff conducted by James Levine and the last seasonal performance of Francesca

Ax. Kashkashian, Laredo, Robin son. Schumann and others (Tue, Wed). 1395 Lexingtoo Av. Merkin Hall (Goodman House): Speculum Musicae Michael Gandolfi:

Personae (world premiere), Sherree Clement, Olly Wilson, Bulent Arei (Mon). 67th W. of Broadway (362 87 t9).

WASHINGTON

National Symphony (Concert Hall): Michael Tilsoo Thomas conducting pianist. Mozart, Gersbwin, Berg. R. Strauss (Tue) Michael Tilson Thomas conducting, Marcus Thompson viola. Telemann, Mahler (Thur). Kennedy Center (254 3776).

Chicago Symphony (Orchestra Hall) Chicago Symphony (Orchestra Hall)
Sir Georg Solti conducting, Francis
Akos violin, Bach, Mahler (Wed,
Thur). (2358111).

Daniel Barenbohn piano recital (Orchestra Hall): All-Beethoven programme (Tue). (2358111).

TOKYO Japan Philliarmonic, conducted by Naohiro Totsuka: piano: Ikuyo Kam-iya. Mozart, Ştrauss, Sibelius. U-Port Hall, Gotanda, (Mon). (237 999);

New Japan Philharmonic Orchestra, conducted by Michiyoshi Inque; clarinet: Yosbiaki Suzuki. Hindemith, Weber, Scriabin. Tokyo Bunka Kaikan (Thur) (4991531). Traditional Japanese Music. A programme of music and dance inspired by the classic epic, The Tale of the Heike. Honmoku Tei, near

of the Heire. Honmoku Tei, near Ueno Hirokoji subway station (Wed). (541 1994). Hwa Lute Recital with song. 11 top Minoru Koshi perfirmers present works from classical Japanese rep-eriore. Ginza Gas Hall, next to

Yamaha Half in Ginza. Advance booking not necessary (Thur).

da Rimini conducted by Nello Santi

with Rennta Scotto in the title role. with Rennia Scotto in the title role.
Lincoln Center (3626000).
New York City Opera (NY State Theater): The company's first musical comedy season kicks off with five

weeks of Lerner and Loewe's Briga-doon, conducted by Paul Gernignani in Gerald Freedman's production. Ends Mar 30. Lincoln Center

BRUSSELS' Grove Royale: The Cunning Little Vixeo by Leos Janacek (in Czech) conducted by Friedmann Layer with Stephanie Kaluza, Patricia Schu-man and Dalibor Jedlika (2182015).

NETHERLANDS

Amsterdam. Stadsschouwburg, Netherlands Opera production of Arabel-la by Richard Strauss directed by Lotti Mansouri, with Asbley Putnam in the title role, and John Bröcheler as Mandryka. The Rotter-Brocheler as Mandryka, The Nother-dam Philharmooic cooducted by Edo de Waart, dancers from the Na-tional Ballet (Tue). (242311). Tilburg, Stadsschouwburg, The Mar-riage of Figaro (in italian) from the Netherlands Opera directed by Rho-da Levisse, with the Netherlands Philharmonic and the Opera Choir

conducted by Hartmut Haenchen. NEW YORK Jake Gardner as Figure, and Sylvia McNair as Susanna (Wed). (43 22 20). Amstelveen, Cultureel Centrum. Martin Malze conducting the Hoofdstac Operette in Lebar's Count of Lux embourg, directed by Alexander Pichler (Tue to Thur). (458444).

he National Ballet with Frederick Ashton's The Dream (Mendelssohn), the world premiere of a new ballet by Toer van Schayk, and Socia Gaskell's Rhythme en klank. Wed

in Eindboven, Schouwburg (111122). Thur in Enschede, Schouwburg (323233).

Theatre

NETHERLANDS

Amsterdam, Bellevue Theatre, English Spenking Theatre of Amster-dam with Orton's Entertaining Mr Sloane directed by Grant Coburn. All week except Mon, matinee Sun

LONDON

The Scarlet Pimpernel (Her Ma-jesty's): Donald Sinden in respleo-dent plummy-voiced form as Baroness Orcay's one-man resistance movement to the French Revolution. Opera director Nicholas Hytner's efficient and sparkish production has smoke, tumbrils, rot stew

and rolling heads. (930 4025).
As You Like It [Barbican]: Much improved since last year's Stratford-upon-Avon season, Adrian Noble's loosely Edwardiao production now emerges as a secret-garden adventure where Rosalind (Juliet Stevenson) has the sisterly devotion of Cel-ia (Fiona Shaw) threatened by Orlando (Hilton McRae). A superb Jucques from Alan Rickman. The Sacques from Alan inclinant. The RSC Barbican repertoire also in-cludes a fine Othello with Ben Kingsley and, in The Pit, Christo-pher Hampton's absolutely breath-taking, unmissable version of Les Liaisons Dangereuses (6288195).
Noises Off (Savoy): The funniest play for years in London, now with an improved third act. Michael Blakemore's brilliaot direction of back-

stage sheoanigans on tour with a third-rate farce is a key factor. (836 888).
Starlight Express (Apollo Victoria):
Andrew Lloyd Webber's rollerskating folly has 10 minutes of Spielberg ing folly has 10 minutes of Spielberg movie magic, an exciting first half and a dwindling reliance on riminate rushing around. Dis-

LONDON

The Royal Academy: Sir Joshua Rey-

Exhibitions

neyland, Star Wars and Cats are all influences. Pastiche score nods to-wards rock, country and hot gospel. No child is known to have asked for his more back (294 8181). his money back, (834 8184). 42nd Street (Drury Lane): No British

equivalent has been found for New York's Jerry Orbach, but David Merneen rapturously (836 8108). rick's tap-dancing extravaganza has (830 8108).

Barnum (Victoria Palace): Michael
Crawford with his breathtaking performance as the circus impresario,

adding one or two new tricks in a

likeable meringue of a musical

(834 t3t7, credit cards 8284735). uys and Dolls (Prince of Wales): The 1982 National Theatre production. Richard Eyre's production and John Gunter's affectionately lavish designs complement this most joyful and literate of musicals, a litting tribule to the recently deceased co-librettist Abe Burrows (9308681). Tarch Song Trilogy (Albery): Antony
Sher plays Harvey Fierstein's fourhour triptych of the life and loves of
a drag queen fighting for emotional
and domestic stability. Truthful
playing has the effect of cruelly exresing Fierstein's tability means

posing Fierstein's tackily uneven writing (826 3878). Gigi (Lyric): Unconvincing stage revival of Lerner and Loewe's film fol-low-up to My Fair Lady, Beryl Reid rising inimitably above the materi-al, Jean-Pierre Aumont and Sian Phillips lending more conventional support. Joho Dexter directs, Joce-lyn Herbert designs. (437 3886).

nterpreters (Queen's): Love among the diplomats, according to Ronald Harwood bas a superh role for the matchless Maggie Smith renewing a cross-cultural affair with Edward Fox in the shadow of a summit between The Soviet Union and Britof the West End's best new play of the year. (7341166).

Lennon (Astoria): A not too critical

celebration of the life and music of John Lennon that is enjoyable espe-cially for the musical resourceful-ness of the cast and Mark McGann's look-and-sound-alike.

You Lonesome Tonight? (Phoenix): More musical bagiography with Alan Bleasdale's Elvis Presley show using flashback and excellent live recreations of the rock and roll hits to explain how Martin Shaw's magnificently wrecked and flabby King in crushed velvet jumpsuit has reached this pretty pass. Exploita-tive, but not strictly for tourists.

(8382294).

Les Misérables (Palace): Notably wall sung and spectacularly produced rock opera from the Nickleby and Cats team of Trevor Nunn, designer John Napier and lighting man Dav-id Hersey, Colm Wilkinson superb as Jean Valjean. A melodrametic distillation of Hugo, and none the worse for that. The French score is rousiogly melodic, with serviceable

rousiogly melodic, with serviceable oew lyrics from Herbert Kretzmer. (4376844)

Billine Spirit (Vaudeville): Excellent revival of Coward's eternal triangle comedy, notably well costumed and lit, with Jane Asher and Joanna Lumley fleshy and ethereal foils to Simon Cadell's sexually threatened share powelist. Marrie Warren it suave novelist. Marcia Warren is a fine Arcati. a serious amateur in woollens and psychic research from South Loodon. (836 9987).

NEW YORK

Cats (Winter Garden): Still a sellout. Trevor Nunn's production of T. S. Eliot's children's poetry set to trendy music is visually startling and choreographically fellne, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262).

42nd Street (Majestic): An immodest celebration of the beyday of Broad-

way in the 30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropriately brash and leggy boofing by a large-chorus line. (977 9020).

Brighton Beach Memoirs (46th St):
The first instalment of Neit Simon's mix of memories and jokes focuses

on a Depression-era Jewish house

hold where young Eugene falls awk-wardly in love with his cousin: (221 1211). (2211211).
Chorus Line (Shubert): The longestrunning musical ever in America
bas not only supported Joseph
Pnpp's Public Theater for eight
vears but also updated the musical years but also updated the musical genre with its backstage story in which the songs are used as audi-tions rather than emotions. (239 8200).

La Cage aux Folles (Palace): With ta Cage any Folies (Palace): With somn tuneful Jerry Herman songs, Harvey Fierstein's adaptation of the French film manages, barely, to capture the feel of the sweef and hilarious original between high-kicking and gaudy chorus numbers. (757 2628).

I'm Not Rappaport (Booth): In moving to Broadway, Herb Gardner's touch ing, funny and invigorating play about two oldsters retains its stars. about two oldsters retains its stars. Judd Hirscb and Cleavon Little, who almost conquer the world when they thtok they are just bickering with each other. (239 8200). Big River (O'Neill): Roger Miller's music rescues this sedentary version of Huck Finn's adventures down the Mississippi, which walked off with many 1985 Tony awards almost by default. (246 0220).

WASHINGTON

The Wild Duck (Kreeger): Romanian director Lucian Pintille follows his production of Tartuffe with the Ibsen classic, again using the stun-ning set and costumes of Rado and

Miruna Boruzescu, Arena Stage (488 3300) the most varied expressions of his

solitary in their door personal, their large eyes unseeing, Delvaur's nudes people his dreamike universe. The one touch of realism comes in the painting of his mothers. (4285 1273). Vienna 1880–1938: Ceutre Pompidou stages one of its vast exhibitions where different disciplines combine to briog to life a moment of history. Turn of the century Vienna, melting pot of nationalities and races, is the

Continued on Page 21

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of April 15, 1982 among Aetna Life and Casualty International Finance N.V., (the "Company"), Aetna Life and Casualty Company, Ithe "Guarantor") and The Chase Manhattan Bank (National Association) as Fiscal Agent and Paying

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Dated: February 28; 1986

nolds. The long-awaited tribute from the Royal Academy to its founding president fills the princi-pal galleries of Burlington House until March 31 (sponsored by National Westminster Bank), A truncated version has already been shown in Paris. It is an equivocal compliment, for a confirms Reyn-olds as one of England's major arthistorical heroes and exposes his bimitations as o painter. Lacking the flair of such conlemporaries as Ramsay and Gainsborough, let alone of the older masters of the

grand manner, such as Van Dyck and Veronese, he had the ambition to match himself against them, and whatever he achieved in position and accomplishment was by effort and determination.
The Tate Gallery: 40 Years of Modern

Art is a huge, rambling and always fascinating display marking the retirement of Ronald Alley, Keeper of the Modern Collection for the last 20 years. He has chosen and arranged the show, drawing only on the Tate's stocks. Revival of critical interest in European work before 1960 has meant that the influence of the New York School is no longer the power it once seemed. The work now take its place with its interna-tional peers. The Tate stands among the best of modern collections, and this show makes clear its unique

character of generosity and open-mindedness. Ends Apr 27. Homage to Paul Delvaux. Distant and

solitary in their cool perfection,

er's kitchen, with an old-fashioned coal burning stove, grandfather clock and cured ham hanging from the rafters. Centre Wallonie Bruxelles, Ends March 31 (4271 2616).

Rembrandt's engravings: Engravings from the Dutuit collection represent Rembrandt's intimate world, his family, his friends, even shopkeepers and beggars. Every subject in-

ers and beggars. Every subject in-terests him, from biblical scenes to

own face, from a portrait of a philosopher to an image of a couple making love. He experiments endlessly with the technique of etching with with the technique of etching, with different types of paper until he achieves the same strength of artis-tic expression in engravings as he does in paintings. Petit Palais, Closed Mon. Ends April 20 (49851972)

scene of a paradox. The mournful atmosphere of a fin de regne is lit by an explosion of ideas and arMay 17 V

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STAY

ALDES ARTES TOH CHAND TELE ROOSEV

Cinema/Nigel Andrews

Piping hot pizza does you good

Echo Park directed by Robert Dorn-Clockwise directed by Christopher Jagged Edge directed by Richard g Sheriock Holmes directed by Barry Levinson

"Love is like a pizza," says the battered old wisacre (Timothy Carey) who runs a Los Angeles pizza delivery ser-vice in Robert Bornhelm's deli-ciously scat-headed Echo Pork. We may speculate at will over what he means since he does not claborate. But Echo Pork is certainly like a pixta. It has a half-dozen different and pun-gent flavours; it has a hard gent havours; it has a hard crust and soft centre; and if you do not take care when eating, it can drop warm squashy bits. straight into your lap.

Alternating between comedy and sentimentality, it unspools it is a straightern and in a sentimentality.

and sentimentative, it unspects in a tumbledown pad in an artistic purlien of LA. Here we are joined by Thomas (Amadeus) Hulca as a pizza salesman and aspiring song-writer, Susan Dey as his young landlady who wants to be an actress, and Michael Bowen as a young mittel-European body-builder who believes in the

mystical power of sex.

The movie does little but taka handfuls of chopped-up vig-nettes from their lives, throw them carelessly over the un-leavened script, then shove it all in the oven and hope for the

But the best is what comes out — piping hot — in this steadman) and the girl's boymulti-character meditation on American dreams. How Miss oh, what a nobla mind is bere Dey finds herself auditioning o'erthrown! not for Chekhov but for a sing- The film moves through a not for Chekhov but for a single ing telegram service, with logically haywire lanuscape optional striptease; this will be motorways, monasteries and muddy fields, a human telegraph while driving round LA in a

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pizza sits on top); How Bowen recalls in flashback the darkly wise proverbs his Dad used to shell out — "A good butcher uses every part of ze cow, August;" and how destinies come together as the men fall for the girl, the girl falls into bad hands, and the film — for a perilous moment going all maudlin-melodramatic, threatens to fall off the edge of the

But there is enough crisp piquancy early on to suggest that Dornhelm, formerly a pro-lific Austrian TV director, is one of those screen chefs whose talents can travel unimpaired even to the gastronomic capital of Moviedom. The film tastes good, it is good, and it does you good.

Clockwise, by contrast, is a British comedy: linear, methodical and unbending right up to the point of derangement.
Michael Frayn wrote the script,
Christopher Morahan directs,
and John Cleese, whose career
silly-walked all over the place during the last year, what with Silverado sheriffs, SDP telly-puffs and the like, atraigthens up at last for a splendid full-length comedy role.

Brian Stimpson (Cleese) is a sticker for punctuality. As the first comprehensive school head ever to be elected chairman of the Headmasters' Conference, be must get to Norwich well in time for his inangural speech But lo! It takes but one missed train, one frantically hi-jacked ride in a girl pupil's car, and

pole wired for hysteria, is in



Michael Bowen in "Echo park"

enemies unknown?

demand) physically it he her busband Jack (Jeff assaulting his car. Clockwise proves once again that when you want audiences to smile in front of a British

have to do is tell them to say Jagged Edge is like s Perry Mason episode which has been bitten in an exposed place and swollen into feature length.

One can almost hear the purring a tough kookie of the post-thunder of the TV saga's theme Feminist Hollywood school, she while driving round LA in a prime tantrum form, whether thunder of the TV saga's theme Feminist Hollywood school, she van which could attract the vandalising an uncooperative music as the questions line up. can bandle not only Jack but Eyesore Abatement Society (a phona booth, screaming at pasgiant light-up wedge of mock sing cows or (yes, back by helress Page Forrester? Could number (upwardly mobile also her prosecution opposite growing np of the world's number (npwardly mobile greatest gumshoe.

smoothie Peter Coyote), along with her old foulmouth of an ex-cop Dad (Robert Loggia) and her own Reader's Digest style of lawyer's sdvice: "Body language is really important in court," and so on.

This amiable romp romps on through twist and counter-twist via serrated hunting knives and clue-dropping typewriters. It is assisted by a crisp cast of characters and a complete ans of profundity in any of them.

Britain's Richard Marquand
(of Return Of The Jedi)
directed, Joe Externas scripted and John Coquillon bandsomely pholographs.

Young Sheriock Hoimes is a preposterous proposition for purists: the hypothetical teen-hood of s famous delective born, aurely with meerschaum in mouth, to say nothing of dark receding bair and a tendency, when not solving insoluble crimes, lo inject himself with cocaine and play the violin.

Barry (Diner) Levinson has directed and Chris (Gremlins) Columbus has written this atrange folly for Steven Spielberg's production outfit 1t begins with modest promise. We rattie about in hansom cabs. We are attacked by Egyptian hlowguns. We are attractively lit hy cameraman Stephen Goldhlatt. And we suspect dark Masonic doings in a subter-ranean London temple.

Bridges) who had good reasons sexual and financial? Was it However, at a certain polnl we tip right oul of enlerprising perchance a freelance psychohomage and right into loony action-pic pastiche. The screen starts to fill up with eyeboggiing Special FX (courtesy of George Lucas's Industrial Light and path? Or might it he a frame-up hid to incriminste Jack by Glenn (Big Chill) Close is Jack's lady lawyer, traiting Magic, responsible for Star hreezes of sub-Streeplan hauteur; she is soon embroiled with him in a more than professional relationship. But being inlo young swashbuckler, and the whole thing comes more to resemble "Indiana Holmes and the Temple of Doom" than the

Elegy for Young Lovers/Elizabeth Hall

Andrew Clements

Auden himself as well.

Henze's music is less even

While it contains in each of the

three acts several magical pas-sages, in which text and lyrical

line fuse absolutely, equally there are passages that are unfocused dramatically some-times even apparently running

counter to the sense of the text.
The music he provides for the
hizzard which envelopes the
young lovers at the opera's

sustained piece of writing in the opera; the emotional crux presented in direct, uneffusive words and simply effective

sound through Henze's score are fascinatingly various. Per-

Henze'a Elegy for Young Lovers took place in Schwetzingen and Glyndebourne in 1961. Scottish Opera staged it in the early 1970s, but until Wednesday the opera had not been seen in its entirety in London. To celebrate Henze'a 60th birthday, which falls in July, the London Sinfonietta hatched the idea of presenting Elegy at the Eliza-beth Hall, in what might be termed a semi-staged version. How the orchestra accumulated the necessary finance is a marvei even by their standards, but accumulate it they did, and the composer himself conducted the performance to a more or less capacity and enthusiastic

The iihretto for the opera has attracled almost as much sttention as the music, for W. H. Auden and Chester Kallman provided one of their most lapidary texts in what they admitted was a homage to Hoffmansthal, their own version of Arabella. Sometimes tha text gets in the way; lines trip no over self-consciously clever rhymes, become absorbed into their own iuscions imagery. But as an operatic scenario it works smoothly enough and the central image of the egocentric poet Mittenhofer who destroys the young couple Toni and Elizabeth to fuel his own waning creativity is starkly con-

house.

The action is tant, though largely confrontational and static; the characterisation operates on a level which positively encourages parallela piece. There is a good deal of the effectiveness of the opera as with the real litarary world. neoclassical Stravinsky also, but a whole.

The first productions of Auden suggested both Yeats Stravinsky lenze's Elegy for Young Lovers and Goethe as models for Henze's in ook place in Schwetzingen and Miltenhofer, but surely Kall-effusion, Henze's instinct for lyrical for moulding his man (who is thought to have melodic lines into grateful written three quarters of the curves. lext) put in a good deal of

For this single performance Michael Rennison's staging was necessarily simple, purging the opera of its period associations (around 1910) and concentrating instead on the characters themselves, so that the central issues of the opera emerged clearly defined. It was minimal, but in the context I think effectively tive, rather like one of Glynde-bourne's visits to the Proms, with the addition of a few pro-jected images and essential

climax is in instrumental tour de force that bears fascinating All the roles are substantial de force that bears fascinating comparison with the Peler Grimes alorm.

The scene which follows, in which the lovers prepare themselves for death by first reliving an imaginary married life and then coming to the realisation that their love itself had been illusory, is tha most consistently sustained piece of writing in the coloratura allotted to Hilda Mack the visionary madwoman, though her msd scenes sometimes over-egged the humour; Linda Hirst was spiendidly convincing as the shrewish Carolina, secretary to Mittenhofer. Philip Langridge and speed Carolina, secretary to Mitten-hofer. Philip Langridge and Teresa Cahill were a well matched pair of lovers, easily lyrical: Stephen Roberts made Mittenhofer rather more than the ogre-ish caricature be could quite easily become, while Norman Welsby was the stiff, un-yielding Reischmann, physician to the poet and father of Toni. The Sinfonietta took on the

baps the most surprising and in the first act especially the most striking, is that of Le marteau sans maitre: the prominent solos for allo flute and viola to composer's conducting had pace cond underpin vocal lines, as well as and dramatic point, but one will the guitar punctuations and perand dramatic point, but one will recordings when it is hroadcast to come to a final decision on

Weill Double Bill/Bloomsbury

cussion patterning all conjure up echoes of Boulez's master-

Rodney Milnes

ally—and shamefully so—to the works he wrote in collaboration with Brecht, which form a small and hardly representative fraction of his output. For this reason, if for no other—and there were others—a warm welcome to Abbey Opera's double bill on Wednesday of The Czar Hos His Photograph

Taken and The Protagonist, two pre-Threepenny-Opera one-acters being given their British Camden Festival. They make a satisfying pair, each to a libretto hy Georg Kaiser and each concerned expressionis-tically with make-believe and

this country is restricted virtu-ally—and shamefully so—to Pagliacci very much for grown-

Even aged only 26, Weill was plainly a born musical drama-tist. The Hindemithian atonal scurrying (authentically alienatory) and occasional leprons lyricism (Korngold cleaned np by about 75 per cent) are riveting to listen to on their own terms and also consistently serve the drama: the short piece stage premières as the opening grips—and disturbs—from start operatic salvo in this year's to finish, on this occasion despite an over-fussy, almost panicstricken production by John Eaton—(who also provided the good translation).

Updating the plece from Elizabethan England to white-The plot of The Protagonist faced expressionera was no (Dresden, 1926) is a weird help at all: action and setting mixture of Pagliacci and failed to gel. Strong performances from Nigel Rohson, splen-

Our experience of Weill in at the end of the second he as one wanted lo hear much

should be for The Czer (Leipzig, 1928), admittedly bringing prohlems in its wake: the young Weill tended to score with kitchen-sink generosity. But cnough of Lionel Salter's hrilli-ant translation came across for this super-smart, glittery little black comedy to make its mark. The action, about an assessination plot that goes wrong when the victim gets amorous with the false pholographer, is dangerously thin, but it is sustained faultlessly through the sardonically witty music.

Here Mr Eaton was on safer ground as producer, and Lez Brotherston's art deco set charmed. The cast was led by Helen Kucharek and Elaine Padmore as, respectively, the false and the real Angèle, with Ariadne out Nazos. The lead.

Ariadne out Nazos. The lead.

ances from Nigel Rohson, splenling actor of a troupe has an
unhealthily obsessive relationship with his sister; al the
sister were plusses, as was the
hehest of a Duke's Major-Domo

the playing hy wind band of

Café Puccini/Wyndham's

Michael Coveney

This is a very unsatisfactory awkward compliation show from Rohin Ray, a. "Side by Side by Puccini" with peripheral pre-tensions to cabaret format. For a mobile and restless chap, keeping tabs on his operas all over Europe when he should have been writing them, Puccini apent a lot of time in cases.—Br Ray's initial idea is Milan competition; there is no dramaturgical temperature for the Item, which dies an ignomitherefore an inspired one; an improvised show in the maestro's honour where the

Unfortunately the show slumps immediately into potted hiography interspersed with operatic highlights wrenched from any dramatic context.

Puccini was, above all, a man of the with a few outrageous liberties with the roster of wronged beroines. All we get is a telescoped, an evening that veers between a second-rate nudge-along for an inadequate "E lucevan le stelle" (Terence Hillyer accompressible sequence, typical of an evening that veers between a second-rate nudge-along for opera buffs and a poor substitute for "Friday Night is panying himself on piano) and Music Night" on Radio 2. of the theatre; as he wrole to one of his later librettists, Adami, he felt commanded by God to write for the medium. Ha guarded his work and his artistic decisions jealously; hislory has proved him right on such matters as the third act of Tosca, deemed by the pub-lisher Riccordl to be a disaster. Everything about this sorry event betrays a most nn-Puccinian theatrical instinct.

Riccordi enlers in an astrakhan coat to be rude about Edger and suggest the Monon idea. At the end of the show, palms, Puccini portraits and the same actor, Charles West, under-used spiral staircase cry in introducing himself as Tosca-out for topographical identity. The lead in t

np to the Turandot finale. From Bohème at Torre del Lago, this it will he clear that there is nothing daring or imagina-tive in the treatment of readily available biographical facts, "Che gellda manina" is sung on the opposite aide of the staga to where Puccini is enlisting Elvira's romantic sympathy over the failure in the early

a Butterfly marriage renewal sequence hetween the bemused,

sequence netween the bemused, curiously emaciated Pucini of Lewis Fiander and the sleep-walking Mrs Danvers-style wronged Elvira of Nichola McAuliffe. "Un hel di" and "Vogliatemi hene" simply do not match the feehle domestic scenario.

year or the location of the terranean café with its potted find the neon-lit café sign palms, Puccini portraits and extinguished to make way for under-used spiral staircase cry Strauss does the opening pro-

even if a reminiscent trio from Golden Girl is dragged in to suggest the remote possibility. We have swift, risible visits

from Mr Hillyer as Mascagni, Leoncavalli, Illica and finally son Tonlo (miraculously compressing news of his parents' reunion, Riccordi's death, Tilo's succession and the First World War into 30 seconds) and some eccentric musical direction from William Blezard on the mastro's honour where the waiters sing back at him a selection of hits while dredging the selection of hits while dredging and domestic life.

The most death.

The most death.

The once-renowed dencer from william Blezard on the overtienes is of great to the once-renowed dencer from william Blezard on the overtienes. But you might a vehicle for Miss McAuliffe's a vehicl

> The best singing comes from Miss McAuliffe, but I was sorry to be deprived of the promised (in the programme) versions from Jacinta Mulcahy of the most famous arias of Miml and Tosca. As Miss Mulcahy plays a waitress and Doria, 1 suppose not match the feehle domestic scenario.
>
> Christopher Renshaw'a production never establishes the year or the location of the enclosed entertainment, even though Tim Goodchild'a subterranean cafe with its potted find the neon-lit. cafe sign palms. Puccini portraits and extinguished to make way for

LPO/Festival Hall

Paul Driver

with a programme given by the London Philharmonic under Yan Pascal Tortelier and included a work hy Debussy which has never previously been beard in this country—Khamma, a ballet-pantomime, "legende dansée," in three scenes, lasting a total of some 20 minutes.

a hallet scenario of her own devising (it was adapted from an old Egyptian story, and the then literary editor of the Daily Telegraph, W. L. Courtney, lent a belping hand). Dehussy produced a piano version with enthusiasm, and scored the prelude with whal he considered special success. But he was special success. But be was diverled from finishing the orchestration—Charles Koechlin completed it under the composer's supervision. Then the commissioning dancer decided that the work had to be with the tripe it least to be supervision. he virtually twice its length, and Debussy refused to comply. Maud Allan never in the event performed Khamma. The score

was first heard in Paris in 1924 (11 years after its completion), and the ballet first staged only in 1947, in Paris.

The Royal Philharmonic contributions, the ballet-music Society's series of Festival Hall certainly sounded attractive and concerts by different orchestras novel. The prelude is a mareach playing French music vellously translucent rumbling resumed on Wednesday night affair. There are neatly insel vellously transitient rumbling affair. There are neatly insel trumpet fanfares which alinde in their bitonality to Petrushka (as do other details of the score). The orchestral piano is frequently and fetchingly prominent; sometimes one half-expects it to hreak into a harder and bring the work into. hoogie, and hring the work into the reaim of Bernstein. The thematic development through-out the 20 minutes is of great refinement but has a base of

> was froken on, nor even in the seductive way of his third ballet, La boite à joujoux (1913), a score heard in the concert hall hardly more often than Khamma though recently given under Rozhdestvensky's baton at the Barbican. There was a certain at the Barolean. There was a certain inconsequentiality about the première on Wednesday. But Khamma urgently needs airings. How can 20 minnles of mature Dehussy ever have been neglected?

The programme — all of whose ilems were performed with stimulating precision — hegan with Dukas' proto-impressionist tone poem La Péri, and featured a consummate solo performance by Kolis mate solo performance by Felix In Wednesday's account, Schmidt in Dutilleux's cello excellently guided by Tortelier concerto (1970) known as Tout and full of crisp instrumental un Monde Lointain.

Dominic Gill

They are a solid, responsive hand. Their Meistersinger overture was broad and lush, but restrained: the manner, like the instrumental sonority, is not given to excessive ostentation. The soloist in Bartok's violin

The Hungarian State Symphony concerto next was the 26-year-old Vilmos Szabadi. There four years ago with Erwin Lukaes; on Wednesday they returned luplay under the baton of the young Hungarian conductor Ivan Fischer—since Janos Ferenesik vacated the post in 1984, the orchestra has forced tu his knees by the Janos Ferencsik vacated the makes sense, and was almost post in 1984, the orchestra has been without a permanent general music director.

about three times as last as makes sense, and was almost forced tu his knees by the music until he found the tempo again). But it was all the same a performance of uncommon verve and hrilliance, besutifully

baldly passed over, and some crucial expressive details ignored). But it was in general crucial a very workable and pleasing account: I like Fischer's excittuned, strong and confident, ahle, nervous way with the even not yet fully matured. After the interval the quite come off, but there were Hungarian orchestra gave a seeds here of an interesting and Brahms first symphony that was

Arts Guide

Continued from Page 20

tistic creativity with architects like Wagner, musicians like Mahler and Schoenberg, thinkers like Freud and painters like Klimt, Schiele, Kokschka and the Secession Movement. Some 2006 exhibits hear reference to Vicana's conbits bear witness to Vienna's contribution to modernity. Beaubourg-Centre Georges Pompidou. Closed Tue. Ends May 5. (4277 1233). From Rembrandt to Vermeer. 60 cheis

Tom Rembrandt to Vermeer. 60 cheis d'oeuvres on loan from the Maurits-huis trace s panorama of 17th-century Dutch painting with Ver-meer's View of Delft with genre paintings, still lives and landscapes. Grand Palais. Ends June 30. (4261 5416)

Diego Giscometti: first exhibition showing the works of a sculptor-creator of furniture, mostly in bronze with animal ornamentation.

Musée des Arts Decoratifs, 107 Rue de Rivoli. Ends Apr 13 (4260 3214).

WEST GERMANY

Hanover, Sprengel Museum Kurt Schwitters Platz: Kurt Schwitters (1887-1948). This comprehensive show, collected by the Museum of well works from his Hanover period (1923). There are 300 paintings, drawings assemblages, collages and sculptures. Ends Apr 20. Insignt, Staatsgalerie, Konrad-Adenauer-Str. 30-32. German Art of

amburg, Kunsthalle, Glockengiess-erwall I. Oskar Kokoschka: The Early Years. To honour the famous German impressionist on the 100th anniversary of his hirth, Hamburg is showing an exhibition of works by the artist not seen in Germany before: 85 psintings and aquarelles covering the period from 1965-24. The exhibition includes his famous picture Die Windsbraut, which was

ament.
Hamburg, Museum für Kunst und Gewerbe. Steintorplatz 1: Also to honour Kokoschka, this museum is showing his complete works for the theatre. The 250 items cover cos-tumes and set designs. Ends Apr 27.

SPAIN

Modern Art, New York, includes as Madrid: Modern masters from the

STAYINGIN LYON?

Complimentary copies of the Financial Times are now available to guests staying at the following hotels: HOTEL DES ARTISTES LYON-FRANTEL LYON GRAND HOTEL CONCORDE LYON HOTEL LE ROOSEVELT · HOTEL SOFTTEL LYON

Thyssen-Bornemisza collection gathers 114 works from French Imgathers 112 works from French in-pressionism to North American ab-stracts: Cezanne, Gauguin, Manet, Monet, Toulouse-Lautrec, Degas, Renoir, Pissarro, Sisley, Van Gogh, Picasso, Juan Gris, Braque, Leger, Bonnard, Chagall, Kokoschka, Kan-dinsky, Rothko, De Kooning, Bacon, etc. Sala Picasso, Biblioteca Nacion-al, Paseo de Recoletos 20. Ends the 20th century. This is the same exhibition as was shown at the Roy-al Academy in London last year. It is made up of 300 works from 1905-85 by 50 artists. Ends Apr 20.

Apr 6.

Madrid, "Celtic Vision": Show of contemporary artists of Celtic origins
who are engaged in creating a Celtic
movement and who come from Britanny, Ireland, Wales, Scotland, Spain and Isle of Man. For the first time in Europe, Centro Cultural Conde Duque, Conde Duque 11.

(24) 5224). Indrid, "Max Ernst": A vast retrospective of master of surrealism on show eized by the Nazis for being "dective of master of surrealism on show for the first time in Spain gathers 125 works of his early Dada, frot-tages, collages and later stages: sur-realist works up to his death. On loan by the Moma, Centre Pompi-dou, Guggenheim and Menil centres in Europe and the States, offers the fullest study we have yet had of the work of one of the most relevant artists of this century. Fundacion March, Castello 77. Feb 28 to April

NEW YORK

Metropolitan Museum: Liechtenstein, the Princely Collection, one of the greatest private collections in Europe, shows a variety of the holdings, like s French Rococo carriage, firearms, sculpture and a hundred paintings, including 19 Rubens, five Van Dycks, and eight Franceschinis. Ends May 1.

Asia Society: More than 75 sculptures illustrate the five-century long era of the Kushan dynasty in India, when Greek and Buddhist influ-ences were first evident in the coun-try's art. Ends April 8. fuseum of Modern Art: In the centen-

ary of his birth, the museum mounts ary of his hirth, the museum mounts
the largest show ever devoted to the
architecture, design and furniture of
Mies van der Rohe with 300 drawings, eight models and a full-scale
rendering of the chrome-plated steel
column from the 1929 Barcelona Exposition. Ends Apr 15.

New York Public Library: Tales of Japan, based to the little-known but
extensive library holdings in Japaness art. presents 130 scrolls. al-

exemisive notary notatings in Japa-nese art, presents 130 scrolls, al-bums and prints covering eight cen-turies of Japanese popular and reli-gious works. Ends Mar 25.

oulouse Lautrec – paintings, drawings and lithographs. Crédit Commununal Ends Apr 13.

ITALY

Venice: Museo Correr: 127 drawings from the rich collection owned by the museum, from the 15th to the mid-19th centuries, includes Guardi, Canova, Canaletto, and Tiepolo, as well as lesser-known artists. Ends April 17. Venice: Palazzo Fortuny: two photo-

graphic exhibitions on 19th century Venice: Venice as seen by 19th cen-tury photographers and Daguerro-types from the Ruskin collection. This is the first time that material Ruskin collected in Venice to the con-Ruskin collected in Venice between 1845 and 1856, which comes from the Ruskin Gallery in the Isle of Wight and the Coniston Museum, has had a worthwhile exhibition. Al-so included are 16 photographs of Verona and several of Florence, Siena, Lucca and the Alps. Ends March 30.

30.

Florence, Museo Nazionale del Bargello: Homage to Donatello: to celebrate the 8th centenary of his birth the 19 Donatellos tha museum owns, of which only six are of absolutely certain attribution, have been grouped, with much documentation, to give a new view of the artist. The exhibition includes his extraordinary, languid bronze David, Ends May 50.

nary, languid bronze David. Enus May 50.

Rome, Musec di Palazzo Venezia (via del Plebiscito entrance): Fansto Pirandello (1921/1975): 150 works by the son of the playwright Lingi Pirandello. Particularly interesting are the series of pencil self-portraits from 1921 and the later group of curiously foreshortened undes. A remarkable artist, but one whose works convey s sense of intolerable works convey s sense of intolerable and unresolved anguish. Ends Mar 23.

NETHERLANDS

Haarlem, Teylers Museum: Survey of French 18th-century graphic art il-lustrating the new processes developed to capture painterly effects in etchings and engravings and meet the demand reproduction prints.

WASHINGTON

Hirshhorn: The eight contemporary American artists in the Directions series include s light installation made for the show by James Turrell and major pieces by Frank Stella and Robert Morris, Ends Mar 30. National Gallery: The 150th anniver-sary of Winslow Homer's birth is commemorated in an exhibit of 100 watercolours of rustic scenes and rural life, which show Homer's ex-

Mar 14-Mar 20

perimentation in watercolours be-fore he attempted subjects in oils. West Building. Ends May 11.

CHECAGO

Art Institute: The 75th American Exhiht insurer: the 15th American akin-bition chronicles the curreot scene in American art represented by 20 artists including Jennifer Bertlett, Roger Brown, Frank Stella and Ed Paschke. Ends April 27.

Masterpleces of 19th-century German paintings from the National Gallery in Berlin: 64 works by artists includ-ing Casper David Friedrich and Wil-helm Leibl. Especially popular in Ja-pan is Carl Spitzweg for his depic-tions of petit bourgeois German life of the early 19th century. Na-tional Mussum of Modern Art Kitational Museum of Modern Art, Kita-nomaru Park, near Takebashi Sta-tion and the Moat around the Impe-rial Palace. Ends Mar 23. Closed

by Hiroshige of landscapes depict-ing cherry-blossom viewing areas in old Tokyo of a few centuries ago. Ohta Memorial Museum in Harajuku, just off Omotesando Avenue. An interesting Sunday itinerary would also include viewing the "Bambooshoot" street dancers, a visit to the nearby Meiji Shrine and refreshment taken at any of Omotesando's elegant cafes. Ohta Memorial Mu-seum. Closed Mon. Ends Mar 23.

Noh Costumes and Kyogen Masks: 20 beautiful costumes from the Edo period (17th-19th century) and Kyogen masks from original 14th century era of consolidation of Noh into its present form. Okura Museum in front of Hotel Okura. Ends Apr 20.

Saleroom/Antony Thorncroft

Ripon bagged at £48,400

A group of 70 drawings and

watercolours in an album once owned by Queen Victoria went for £138,325 at Sotheby's yes-terday. The London dealer as King Henry VIII as a child. Another London dealer, Mackinnin, gave £15,400 for a watercolour by Eugene Lami of "The translation of the ashes of Napoleon in December 1840." The top price, in an auction of British watercolours which totalled £402,083 with 12 per cent unsold, was the £55,000 which secured the best view of Sold 1

The game books of Lord Ripon, the greatest shot of the gol-cen age of the shooting perty in the lste 19th and early 20th centuries, sold for £48,400 to a private English collector in an evening salc at Sothcby's lilingsburst auction rooms on Wednesday. Apart from listing Ripon's bags it is decorated with sketches of his shooting companions and their ladies by the man who once had seven pheasants dead in the air at the same time. One of Lord Ripon's Purdey bammer guns made £6,600.

A rare figure of a falconer by the greatest of the Japanese of the Tokyo School, Ishikawa Komei, realised £20,900 at a Sotheby's auction of Japanese works of art. It was a record price for such an ivory and was bought by the Japanese dealer Fujikura. The money will go to the charity Aid to the Church in Need. The auction totalled £417,175 with 7.34 per cent unsold. A pair of late 17th Kakiemon bottles made £15,400 as did a jar, 101 inches high, of the same period.

of the same period. A tile panel made by Morris and Company to the designs of Burne-Jones and Philip Webb for the artist Myles Birkett Fritz-Durville paid £18,700 for a portrait of Victoria's son, Prince Arthur, painted by Fine Art Society. A Chiparus Winterhalter: he is portrayed lamp shaped like a dancer lamp shaped like a dancer made £8.200

At Christie'a on March 25 the orders, medals, decorations and gifts conferred on Sir Henry Morton Stanley, best known for his meeting with Livingstone, come under the hammer. They should amass

Sold by his grandson, they Paris by Thomas Shotter Boys include a gold and encrusted to come on to the market. Il oval small box given to Stanley shows the river from the Pont by Queen Victoria and a pre-Royal and the price was an sentation jewel bearing a auction record for the artist. miniature of the Queen,

FINANCIAL TIMES

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Friday March 14 1986

President and parliament

in France cao hardly he exaggerated. Not only is the exaggerated. Not only is the result likely to bring to an end the first Socialist adminiatration of the 28-year-old Fifth Republic, but it will provide the severest test so far of the solidity of the constitution devised by Ceneral de Gaulle will begin next Sunday end with the next Preside election in the spring of to rid the country of unstable government.

If that constitution has worked so well aince it was implemented, it is due mainly to the fact that the supremacy of the President, enshrined in the first instance in the tower-ing personality of de Caulle himself, has never been under-mined by a hostile parliament. At all times, French Presidents since 1958 have been able to count on the support of a more or less docile parliamentary majority and governments led by Prime Ministers of their personal choice .

The situation will be very different after next Sunday, if the public opinion polls are to be believed. The relevant question to ask is no looger who will win the election — it has long heen assumed that Mr Jacques Chlrac's neo-Gaullists and the centre-right partles will have e combined majority — but how large the margin of victory will

Alternatives

Oo that margin will depend the room for maooeuvre that President Francois Mitterrand, whose own term of office does not expire uotil 1988, will have in nominating the Prime Minister and implementing his persocal policies. If the overall majority of the centre-right is small and the Socialista remain the biggest single party in the National Assembly, Mr Mitterrand, whose subtle political skills have earned him the nickname of "the Florentine," cao still remain master of the chess-

If, on the other hand, the election produces a subtantial conservative parliamentary majorily dominated by the neo-Gaullist RPR party — as many of the polls have suggested over the past few months — then the President will be faced with President will be faced with two equally unpleasant alternatives. He will either have to appoint a Prime Minister lee Mr Chirac, with whose policies fore be as much of a pipe-dream and personality he is at odds, or he will have to resign, giveo would demonstrate both a his declaration that he will not be a "cut-price" President, ties and the maturity of the The spectre of resignation has mixed presidential-parliamentbeen raised by Mr Mitterraod ary system of the Fifth Repub-in the closing stages of the lic.

Sunday's parlismentary election an eleventh-hour attorpt to in France cao hardly he rally the large number of undecided voters to the Socialist

not be discounted as an effective weapoo in the hazardous and lengthy political battle which will begin next Sunday and end with the next Presidential election in the spring of 1988. Mr Mitterrand could dissolve the new National Assembly and resign himself, in the hope that the subsequent joint Presi-dential and parlamentary elections would produce a more favourable result for him.

Whatever the outcome of Sunday'a election, President Mitterrand would do well to bear in mind the damage that could be caused both to the economy and the democratic system itself by a prolonged and hitter conflict between the Presidency and a new con-servative Prime Minister and government.

After their initial mistakes the Socialists—helped, it is true, by a weakening dollar and fall-ing oil prices—have succeeded in achieving an impressive turn-around in the economy. The French political establishment should be careful not to nullify those achievements by creating the kind of political instability which would undermine international confidence in the Nor would it do France's

international image any good if a democratically elected parlia-meotary majority were to be prevented from implementing the programme supported by the voters. The privatisation of some 30 banks, insurance comvoters. panies and industrial groups may be a hiter bpill to sla may be a bitter pill to swallow for a President responsible for nationalising most of them, But the whole trend lately io France, eveo under the Socialists, has been towards a greater liberalisation of the economy. Ideological differences between right and left oo economic issues are no longer as sharp as they were.

An accommodation between greater sense of economic reali-

Mr Lawson's tax options

Mr Nigel Lawson must be temp-ted to cast bimself in his old role of "tax reforming" Chancellor when he delivers the British Budget next Tuesday. Plunging oil revenues have nar-rowed his other options and obliged the Treasury to stress the radicalism of hia tax plans pre-Budget presentations to

Outside Creat George Street, speculation on personal tax re-form has had three main targets this year: the Creen Paper on matrimonial taxation; the possihility of a more generous tax regime for charities; and a lower hand of income tax, say, 25 per cent on the first £1,500 of taxable income.

Mr Lawson delights in sur-prises and so could have some-thing more ambitious up his sleeve than these relatively tame options. But this seems unlikely; indeed both the charity lobby and those in favour of a lower rate hand could end up disap-pointed on Tuesday. The Chan-celior could opt for a simple, tidy Budget and try to concen-trate attention on the prospect of higher employment and lower inflation in the wake of the 50 per cent drop in oil prices.

Tidioess would certainly rule out a reduced rate hand of in-come tax. Mr Lawson's predecessor. Sir Geoffrey Howe, abolished it in 1979 because he was striving to simplify the tax code: he was wisely not impressed by the fact that many other countries Indulge in a state of different rate hands. plethora of different rate bands. A lower rate band may seem caring but would actually do less for the lowest paid than the same money spent on higher thresholds. Both equity and efficiency considerations suggest the Chancellor should concentrate oo raising the floor of tax-

Allowances

The taxation of charmes and those supporting charmen of the arts poses difficult those supporting charmen of dilemmas. State subsidy is in elderly people.

Transferability of allowances and com-The taxation of charities and form of finance than personal corporate donations: besides being more bureaucratic and less flexible, it is likely to be less imaginative and varied. Individual and corporate donations would get a huge boost if like mortgage interest relief.

they became straightforwardly tax-deductible. But the cost would be a dangerous move away from fiscal neutrality. Tax concessions nearly always have an apparently sound initial just-ification but they tend to multi-ply uncontrollahly and ensure that average tax ratea elsewhere are higher.

The Creen Paper is expected to argue that every adult, re-gardless of sex or circum-stances, should have the same, standard personal tax allow-ance. This seems highly desirance (MMA) is long overdue and essential if the blatant sex discrimination in the present code is to be removed.

Discrimination

Much less logical, however, i the proposed second leg of the Creen Paper: the idea that the new and equal allowances should be transferable—but only between bushand and wife The plan seems to run quite counter to the philosophy besecurity reforms, which la that relief should be carefully targetted on genuine need. Under Mr Lawson's scheme, every married man, regardless of circumstances, would have potential access to two standard allowances: much of the revenue raised by phasing out the MMA would be thrown away in arbitrary concessions—for example, to well-off couples in which the wife chooses to stay

The simpler alternative Mr Lawson appears to have over-looked is equal but non-transferable allowances. This would avoid explicit fiscal discrimination in favour of marriage. All the money released by running down the MMA could be phased on, through the social security system, to households (whatever their marital status) with special needs: for example, those supporting children or

would he expensive and com-plex. Mr Lawson should save his eoergy, and money, for more important reforms of the tax base. The real distortions lie in special interest concessions

THE PHILIPPINES' INTERNAL SECURITY

Aquino back in the front line

By Alain Cass in Manila

HERE are no pictures of President Corazon Aquino in Buringol, a gold mining aettlement perched high on a remote mountain range in Eastern Mindanao, the rebellious island in the southern Philippioes. Nor are there any pictures of former President Ferdinand Marcos. In fact few of the 8,000 miners and their families bothered to vote in the presidential election last month. They had other preoccupations.

Beyond the boundaries of the settlement, with its bright blue

awnings which provide shelter from torrential tropical down-pours, is dense jungle, sanctuary to guerrillas of the 18,000-strong Communiat New People's Army and fighters of Mindanao's higgest Moslem separatist group, the Moro National Liberation Front, Between them they bave driven the Philippines to the hrink of chaos over the past 15

producing \$250,000 worth of gold a day is protected by a company of the Philippine army's elite counter-insurgency force, the Scout Rangers. When the roads are impassable, which is much of the time, Sikorsk; and integrity; helicopter gunships take time off from combat missions to ferry food over the misty peaks.

It is a to a middle with the country's security and integrity; The NPA, which grew out of the Huck rebellion of the ferry food over the misty peaks.

Until a year ago, the settle-ment was occupied by the NPA which exacted "revolutionary taxes" and dispensed summary justice, burying their victims in mass graves. Before that the Moslem separatists were in charge. Buringol is the front line lo the hattle against insurgency.

Mrs Aquino faces several formidable political challenges if she is to bring stability and economic recovery to tha Philippines. Keeping her fragile and fractious coalition together is one. United largely by its hatred of Mr Marcos and of what he stood for, hut divided in its perception of some major issues, the coalition is already showing signs of strain. Neutralising the army of Marcos loyalists io the provioces is another challenge. Just under half the country, even hy her own count, voted against Mrs Aquino. But no Issue is as important, as tackling the insurgency

-Mrs Aguino's ability to stem the 15-year-old Communist rebellioo could determine whether she continues to receive the support of the US which became alarmed as the NPA doubled its strength in the two years before the fall of Mr Marcos and began making contingency plans to move its two The last two — economic hig military bases to the Pacific recovery and the end of abuses It will also play a key role in tempting back foreign investors political bosses—represent Mrs who left the country in droves Aquino's main challenges in the over the past two years.

Equally important is the new

President's ability to negotiate advisers settlemeet with the Arabbacked Moslem separatists who, In the early 1970s fought a war in Mindanao and nearby islands in which 40,000 to 60,000 Filipinos died. There are 4.5m Moslems in the Philippines out of a total population of 55m and most support strong local autonomy at the very least. Mrs Aquino has decided to

political authority and tackle both problems quickly. Earlier this month. despite strenuous objections from her senior military advisers, she ordered the release of the country's top Communist leaders, and restored civil rights. She also offered the NPA a ceasefire and an amnesty to guerrillas. Unconfirmed reports Yesterday said some NPA units had said they would observe a provisional ceasefire.

She has also invited the exiled Buringol, with its 305 shafts leaders of the three Moslem producing \$250,000 worth of groups for talks. The move follows a pledge, during ber election campaign, to "respect and substantiate" their aspirations for autonomy within the

> The NPA, which grew out of the Huck rebellion of the 1940s and early 1950s, has become the most powerful end fastest developing Communist insurgency outside Central America, Led by a 37-year-old forman antineoring student former, engineering student who calls himself Commander Bulog it now operates in at least 59 of the country's 73 provinces including those close to Suhic Bay Naval Base and Clarke Air Base, America's blggest overseas installations. military Last year it caused the deaths of over 5,000 civilians

and soldiers, most of them in Mindanao, which has become the oemesis of the armed forces. Originally Maoist, the NPA has receouly turned to Moscow for support. The NPA is the military arm of the Com-munist Party of the Philippines which, with its more respect able partner, the National Democratic Front, commands a mass base of over Im people.

At the heart of Mrs Aquino's gamble to release the party's former leaders last week including its founder and chairman Mr Jose Maria Sison, is the hellef that the best way to eliminate the insurgency is feeds on. The first, Mr Marcos. is gone. The second, the release of detainees and restoration of civil rights, has been achieved.

years ahead. Of these Mrs Aquino'e

by the military and local

advisers believe economic recovery holds the key to defeating the insurgents. "Get defeating the insurgents. "Get that right," said a senior army officer in Davao city, heartland of the rehellion, "and everything will flow from there."

Agdao, a suburb of Daroa city, where 250,000 live a miserable existence with 75 per cent unemptoyment, leaky roofs and primitive sanitation, would tend to support this argument.

tend to suport this argument. It is prime recruiting territory for the NPA whose alogans are daubed in red on many walls. Since the election the authorities say that things have been quiet in the slums, mirroring a drop in NPA activity throughout the country.
"People are expecting drama-

reopie are expecting drama-tic changes — industries, investment, jobs," said a local priest. "But Agdoa ia also a measure of the challenge facing Mrs Aquine. The expectations raised by her victory could turn to bitter disillusion if the impact of economic recovery is not felt within the foreseeable future. The new-found power of the people could be turned against the government if they are disappointed," he added. Mrs Aquioo's problem is that nobody will invest in places

Mrs Aquino's dismantling of the apparatus of repression will weaken the Communists politically

like Agdao until the insurgency is over, and that may not happen unless there is ao ecocomic transformation. The only solution may he massive economic ald from the US. One of the notable differences between the mood in Manila and the provioces is the absence in the laller of the giddy euphoria which still lingers in the capital. People in the provinces tend to be more hard-headed. And so, argue many critics of Mrs Aquioo's policy towards the NPA, are the Communists. While some senlor officers engaged in fighting the NPA their arms in response to her moves and more when new economic policies begin to take effect, there is considerable disagreement about how many.

The argument hinges oo how

many memhera of the NPA are hard-core ideologues and how many are what one major-general in Western Mindanao described as "kids without jobs,

or a grievance or with nothing point of view can he heard: better to do who are fed up "Show me one example where with life on the run." Mrs Communists have aurrendered Aquino's supporters say the

recruiting sergeants for the NPA. The movement's demands for the removal of the US bases enjoys growing support especially among university students. Many Filipinos have mixed feelings about the close-ness of their relationship with the former colonial power. On the former colonial power. On the one hand, America is acen as the great provider. On the other as an obstacle to full maturity and independence. Now that Mr Marcos has gone, the Communists are likely to turn the bases into their prime collision target and Mrs Acuino. political target and Mrs Aquino may find that "people power," once uoleashed, is oot that easy to channel.

which brought Mrs . Aquino to power. These include wholesale land reform, the expulsion of multi-nationals, oationalisation and the removal of the "Marcos dictatorship" still in place. This refers to Mr Juan Ponce Enrile, refers to Mr Juan Ponce Entite, the Minister of Defence and Geoeral Fidel Ramos, the now immensely popular Chief of Staff who led the rebellion against Mr Marcos, Mr Enrile, for one, firmly believes that a political setback will only encourage the NPA to Intensity its military effort. its military effort.

struggle will go on."
From the other side, a similar



AREAS OF

Aquino's supporters say the hard-core consists of no more than 30 per cent. Most generals put it much higher. Mrs Aquino's swift dis-mantling of the apparatus of

repression will weaken the Communists politically. The NPA leadership in the provinces concedes that her enormous popularity may even halt their recruitment drive for a while. But Mr Marcos and his human rights abuses were not the only

The movement'a other demands will also bring it into direct conflict with the forces

Said one Communist Party member in Davao as be emerged from two years' detention during which he was hrutally tortured: "The problem now is not how to negotiale hut how to reorganise. This is only the he-ginning of full democracy. The

to democracy," says a colonel in Eastern Mindanao who has 13 years experience of fighting in-

PHILIPPINES

SOUTH CHINA SEA

surgents.

Tackling the Moslem secessionists presents a different set of problems for Mrs Aquino, but the task may prove no less com-plex. The three factions fighting in Mindanao and the predomin-antly Moslem Islands of the Sulu Sea are split. The most power-ful, the MNLF, wants complete secession. The other two, the Moro Islamic Liberetion Front (MILF) and the smaller Bangsa Moro Liberation Front would

settle for autonomy.

All three receive support from the Arah world—Libya and Iran in particular—and, though less numerous than the NPA, are better armed and supplied, according to the army.

They draw their support from north and west Mindanao.

and the islands of the southern archipelao such as Jolo, which was razed in the 1970s' war. Filipino Moslems are predomi-nantly Sunnis and relatively permissive. But, in recent years fundamentalism has crept years rundamentatism has crept into some areas such as Marawi, in north Mindanao, where the sound of the Muezzin calling the faithful to prayer and the absence of alcohol gives the town a distinctly Arah flavour.

Mrs Aquino's government is likely to use the Tripoli agree-ment, negotiated in 1976 to cod the war, as its starting point. It provisionally agreed to acto-comy in 13 southern provinces and allowed them their own legislative authority, a judicial system based on the Sharia laws, the right to raise local taxes, and a local security force.

ported by Mr Benigno Aquino, the late busband of President Aquino. After his assassination in 1983, his hrother, Mr Agapito Aquito became the opposition's unofficial cooduit to the Mos-leus, whose leaders are based in the Malaysian state of Sabah with 200,000 supporters. Leaders of the two moderate

factions arrived in Manile this week to begin talks. Mr Nur Misuari, leader of the MNLF, has so far refused to come although Mr Aquino is confident that he can be persuaded. The Moslem League, which is based in Saudi Arabla, is epplying pressure on the MNLF to nego-

But even if talks get under way, two major problems lie in the way of an agreement. The first is that the three groups are divided. The secessionist leaders are feudal and run their fiefs like medieval warlords. Mr Aquino will have to mediate a common set of demands between them before they can present a package to the government.

The major question is whether the MNLF would settle for autonomy.

The second problem is that most Moslem areas bave large minorities of Christians Whose interests would have to be safeguarded. Autonomy would, by definition, require power-sharing which could provoke its

Mr Marcos encouraged the formation of private armies to fight the Communists and these could be turned against the Moslems if the Christians felt threateoed by Moslem power. Mrs Aquino's government is keen to solve the problem and

the impetua for an agreement is there. But the attempt could fall at any number of hordes, not least the demand for an official Moslem army, in which case nobody is in any doubl that the war for secession would flare up again with a yengeance. Mrs Aquino's extraordinary rise from grieving widow to President has invested ber with

Sueld un

g sod tape

The agreement, which was an almost santly quality in the oever implemented, was sup- eyes of many Fllipinos. She ported by Mr Benigno Aquino, represents renewed hope in their country's future and re-discovered pride io its decent values. Her word is law-at least for the time being. But whether she can demoostrate the skills and resilience needed to solve problems which have festered for nearly two decades is another question.

New generals for bid battle

GEC and Plessey, the electronics rivals, have been making good use of the eix months delay resulting from the reference to the Monopolles Commission of GEC's £1.2hn hid.

Both sides have signed up leading public relations consultants to strengthen their offsets.

tants to strengthen their efforts to win the battle for the minds of politicians and the City.

advising Westland in the struggle between the European and US consortia, and Ernest Saunders, chairman of Cuinness,

to the Whitehall experience of Sir James Blyth, the former head of overseas sales at the



"Did the captain say they're waiting for permission to take off or sell off?"

Men and Matters

Plessey is employing Sir Cordon Reece, aged 53, best-known as Mrs Thatcher's for-

mer media consultant, and re-cently the publicity director for Conservative Central Office. He will be special adviser to the Plessey chairman Sir John After five years as vice-

president for public affairs for Dr Armand Hammer'a Occidental Petroleum Sir Cordon has recently been taking a close interest in City developments, In its successful hid for Arthur

Sir Gordon's political con-tacts will prove a useful adjunct



defence ministry who became of ICI next year, will be in-Plessey's md last month. stalled as the Bradford chan-Over at GEC Sir Arnold Weinstock has called in Philip Connelly, aged 42, a former senior public affairs adviser at BP, to he his first-ever director of corporate communications. Connelly was actually approached before the bid.

Just three weeks into his new joh he is still getting to know the company before starting on a campaign to woo the Government, Parliament, the City, and

"To any public affairs man this is a major assignment and a mejor challenge." he savs. After 16 years at BP Connelly spent two years on secondment as deputy head of the CBI's regional directorate before set-ting up as a freelance consult-

Connelly's arrival has led to GEC putting on ice plans to employ a firm of external PR consultants during the hid.
Three agencies, Valin Pollen,
Shandwick, and Dewe Rogerson,
are short-listed. But Connelly
has yet to decide whether their
services will be necessary.

Plessey moved fast after CEC's hid was announced in December by calling io a per-manent four-strong team from Charles Barker Lyons to advise

Bradford's man

Professor John West says that a university, when looking for a a worker. And then choose between three basic sources of supply—a "Royal," a politiciao, or an industrialisi.

A worker. And then choose between three basic sources of neering consultancy company, owed just £30,000, was startled by an offer to satisfact. A worker from the racks of

Britain's industrialists has been arabic. the choice of Bradford universily where West is vice-Chan-

cellor today. His will be a "hands-on"

chancellorship and we can ex-pect to hear a lot more ebout the institution—one of those created out of ten colleges of advanced technology in the

Sir John succeeds Lord Wilson of Rievaulx who has done the joh for 19 years, five of them as prime minister. One of Lord Wilson's achievements was to persuade Cromyko to let Bradford link with the univer-sity of Leningrad and start a tudent exchange scheme.

Bradford's centres of excel-lence are in management, tech-nology, and languages. Sir John will be able to look his professors squarely in the eye in all three disciplines. He is fluent in Cerman, French, Spanish, and Russisn. His Russian was per-fected while he was naval attache at the British embassy io Moscow shortly after the war. Sir John has been a popular choice on the campus. A student poli voted six-toone in his favour, crushing
opposition from those opposed
to animal experiments at ICI

and the company's ties with South Africa.

Gummed up

Trading with Nigeria has hecome a tricky husiness.

The country has run so short of hard currency that it is paying hills with a wide range of chancellor, has to decide commodities in counter-trade whether it wants a figurehead or deals.

in cocoo, hutter, ginger and gum

" I'd never even heard of gum arabic. What do people do with anagram of "Swinge on all." Sir John Harvey-Jones, who they're giving ua a good disretirea from the chairmanship count on the market price."

Hanson aid

Hanson Trust, the con-glomerate currently hidding for Imperial Group, is better known for swallowing up other indus trial companies than for forging friendly lioks with them. And that makes it particularly intriguing that a Hanson board member, Martin Taylor, haa just heen appointed a non-executive director at Vickers, the engin-eering group which numbers Rolls-Royce cars among its products.

Lord Hanson, chairman of Lord Hanson, charman of the company, is a director of Lloyds Bank (where ironically a fellow hoard member la Geoffrey Kent, chairman of Imperial). Derek Rosling, Hanson's vice-chairman, is on the board of Platignum, the pen company.

Apart from those johs, Tav-lor's appointment is thought to be the first of a Hanson director to another industrial company.

Why Vickers? "First of all, we were asked," says Taylor. Second, he appreciates the aucess of Sir David Plastow. Vickers' chief executive, who has been carriers are has been carrying out a major reorganisation of the group, leading to a substantial re-rating

Taylor, 51, has been on the Hanson board for the past 10 years, and is largely involved in belping formulate group strategy in general, and takever tartics in particular.

He is also responsible for Hanson's property interests and is its mein nress spokesman. After reading law and economics at Cambridge, he qualified as an accountant and worked for Dow Chemical before joining Haoson In 1969, when it was relatively small, and its explosive growth as yet a gleam in Lord Hanson's

Budget omen

A reader tells me that, while he has oo wish to dash hopes hefore next week's Budget, he had a shock yesterday when he re-alised that Nigel Lawson is an

Observer

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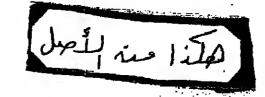
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ON THE FACE of it, this has been a discouraging week for the nuclear industry and a British Government in search of an energy policy for about the year 2000, when the oil runs out.

The House of Commons Select Committee on the Environment has criticised in raucous terms the nuclear reprocessing plant at Sellafield for its record of frequent leaks of radioactive material and Mr Peter Welker, the Energy Secretary. announced yesterday that the report of Sir Frank Layfield, QC, on whether there should be a pressurised water reactor at a pressurised water reactor at Sizewell in Suffork has been postponed yet again.

It begins to look as if the pur-suit of civil nuclear power is not worth the trouble involved. Appearances, however, can be Appearances, nowever, can be deceptive and beneath the surface a lot is going on. Two sets of enestions have arisen over the years. One concerns the nature of public inquiries in general. The other concerns how Britain can move to e new generation of trouble-free

The Sizewell story tells e lot about present frustrations. It was the longest public luquiry in British history, lasting 340 days, and the transcripts are said to amount to the equivalent and Parents of Mar and Parents. of 24 copies of War and Peace. Sir Frank was due to produce his report last September, postponed it until this spring and is now promising delivery in September this year — all 110 chapters of it.

No one in authority seems to be criticising Sir Frank for tha delays. Indeed everyone seems to be paying tribute to the quality of the mind he is applying to the report. Ministers say that it will be a Rolls-Royce product when it comes.

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Sir Frank himself says that while he has strong views about the conduct and nature of public inquiries, he cannot possibly give them until his report has heen published.

What everyone seems to agree is that we cannot go on like this: deferring decisions for years until the report on a public inquiry is completed.

There had been some advance warnings. The inquiry into the third London airport is freonently cited as an example of unnecessary hold-ups. There was also the inquiry into Windscale, as the Sellafield reprocessing plant used to be called.

Sir Roger Parker, who pre-sided over the Windscale inquiry, said afterwards that in any future public inquiry where a lawyer was in charge, departments of state would do well to consulf the lawyer in advance ebout how long it was likely to take. He went on to describe how, when he was approached about the task, he was told by the department that two weeks would be quite enough.

POLITICS TODAY







Peter Walker (left), an ally for Kenneth Baker (right); Sir Frank Layfield (centre) whose report is ewaited

Britain: ready to get off the nuclear fence

By Malcolm Rutherford

ings was just about enough to enable me to keep abreast. If this essential preparation is not done to begin with, it cannot be done thereafter."

The work goes on late at night once the inquiry has begun. It means reading the transcripts, the proofs of the witnesses due the next day and keeping up with all the scientific journals mentioned in reports. Otherwise there is no

point in doing the job.

That was only Windscale and reprocessing. The size of Sir Frank's exercise was much bigger. Under the Electricity Act of 1957, any local planning authority objection to the building of a power station—
even a windmill, let alone a
nuclear plant—obliges the
Secretary of State for Energy
to hold a public inquiry. These used to he quite short. The inquiry into the epplication for the Dungeness A power station in Kent in 1958, for example, lasted three days.

was not just about whether reprocessing should take place in that area, but whether there should be reprocessing in Britain of any kind. Similarly, the Sizewell inquiry bas really been into whether Britain should have nuclear power.

The terms of reference issued by Mr David Howell when ha was Energy Secretary in 1981 are remarkably comprehensive. They covered not only safety and environmental factors and tha management of waste, hut also the relative merits end costs of an advanced gas-cooled reactor (the British design) and a pressurised water reactor (from America) and to set any recommendationa in the context of a long-term energy policy.

Opinions differ slightly among present Ministers about the likely results. Mr Welker at the Energy Department is sible impatient to get on, and the was Prime Minister even mora so. Gove Mr Kenneth Baker, the Environment Secretary, however, thinks thet while the terms of reference were too past. What has changed in more recent times are the terms of reference were too reference. Public inquiries no he a generic report. There longer simply consider local would be no need for any such out none of the hold-ups of the past.

The Government is on that whole dismissive of the Select Committee's report on waste,

that there will be a conventional public inquiry into eventual applications for a new site for the disposal of low and intermediate-level nuclear wastes, a mediate-level nuclear wastes, a subject that is exciting MPs in case it may be in their constituencles. Mr Michael Brown, the Conservative Member for Brigg and Cleethorpea, has threatened a "guerrilla war" and to apply for the Chiltern Hundreds, should it be in his part of Lipschpshire and Mr. part of Lincolnshire, and Mr John Wakeham, the Govern-ment Chief Whip, has been unusually restless over sug-gestions that it might be around his constituency of

Colchester South and Maldon, Yet it can be seen in retrospect, that when Mr Baker mede bis stalement to the House of Commons about possible siles on February 25, he was preparing to get the Government's nuclear energy policy hack on track, There will be inquiries about sites, yes, but none of the hold-ups of the

per cent (it is now 19.5 per

cent).

L'also pointed out that even

nuclear industry to go on

It is also noted that nuclear power divides the Labour Party, Dr John Cunningham, the Shadow Environment Secrelary who has Sellafield in his constituency, is a supporter. The minera are naturally against, The issue could also divide the SDP-Liberal divide the SDP-Liberal Alliance, with the Social Democrats going more for a technological future and economic growth and the Liberals falling back on

Yet there is rather more to it than party politics and there is hasically no reason why nuclear

Lord Chief Justlee," he said in a lecture, "for leave off all normal judicial work for six weeks and was granted it. That, working very long days, plus another 2½ months in the eventure. The work of the site and take place in that area, but whether there area, but whether there was for this policy.

objection to the site. They also study the whole basis of the inquiry again for years. Future sould be confined to the suitability of the chosen than its hite and that it does not actually come to many firm conclusions. If anything, the report will be need as e call that area, but whether there will be a concentrated to the suitability of the chosen than its hite and that it does not actually come to many firm conclusions. If anything, the way for this by announcing in that area, but whether there

Select committees, like the Sizewell inquiry, are not entirely in favour with the government, but they can be used to advantage, and that seems to be the intention.

environmental arguments.

Britain, es the first nuclear power, has been dithering too long about what to do next while other countries have been going ehead. Mr Baker says that if he had not made his statement ehout nuclear waste on February 25, there would have been a danger of the idea getting round that the country was getting out of the industry altogether. He now thinks that it is possible to begin to go back

on the offensive. In this he will have e close ally in Mr Walker. In a pre-vious incaroation as Secretary of State for Trade and Industry of State for Trade and in 1973, Mr Walker was ebout to authorise the first British pressurised water reactor under licence from the US. Then the miners' strike intervened and the oil crisis and Lord Carrington became Energy Secretary.

The demurred at the demurred at the demurred at the switzerland on the midnight of ton became Energy Secretary.
The latter demurred at the PWR in much the same way as some present politicians resisted the Sikorsky hld for Westland and are resisting the possibla takeover of parts of British Leyland by General Motors. It looked like selling out to the Americans and giving me on traditional British ing np on traditional British

Yet, as the French of all people have shown, it is possible to acquire advanced technology from the US and develop it in your own way. The French bought the pressurised water system from Westinghouse and now have perhaps the most successful nuclear industry in the world. An article in this month's Scientific American even says that the organisation of French nuclear policy puts America'e to shame.

The British Government wants to do much the same thing. On the assumption that the Layfield report on Sizewell is delivered in September, It is thely that approval for the first preasurised water reactor will go ahead quite quickly.

There will then be suggestions of perhaps four more, each with an increasingly British design. There will be public inquiries about the site, but nothing like the Sizewell inquiry because the fundamental work about the fundamental work about the merits of the reactor will he regarded as having been done.

As a guess, it might he worth expecting a full statement about the future of British nuclear policy around next January. Some of the selling points are strong. The French have done It and their industrial costs have become lower because of cheaper electricity.

Besides, it will be an answer to the question; what happens when the oil runs out? The answer will be that the Government used the period of North Sea oil to davelop nuclear power for the next century. One suspects that all this will become the subject of corridor. power should be eutomatically power for the next century. One either e right- or a left-wing suspects that all this will be cause. The only question is whether it works efficiently, economically and safely.

Whether the beautiful and safely. Whet seems to be happening the Government hopes to have is a dawning realisation that made its decisions by then.

Lombard

The French rush into paper

By David Marsh in Paris

This popular image of French savers hanging on dog-

greeted by one of the higgest ever one-day slides on the Paris bourse. Since then, parti-cularly reflecting the final switch in March 1983 towards a firm anti-inflation policy, the Paris atock market, now fed by a new flood of unit trusts and mutual fonds, has roughly tripled in value.

Now the right aeems likely to retake power after Sunday's elections, with an economic programme (denationalisation ending of capital and price conending or capital and price con-trols) partly predicated on keeping the confidence of the financial markets, the question whether this rush into paper will continue is of crucial significance.

First, the doubts. The French economic picture of the last three years — falling inflation, a steady franc against European currencies, recovery in company profits, the deindexation of wages and a slump in strikes, has provided the perfect back-drop for a financial market

The right looks set to reap this year the economic harvest of falling oil prices and the drop in the dollar. But much of the consequences for economic growth of the latest events on oil and currency markets may already have been built into current bonrse prices.

Furthermore, the combination of slackened external economic constraint and the return of a right wing government preaching laisser/aire policies may trigger resurgence both of inflationary pressures and of trade

union unrest.
The stock market revival since 1981 has also been pertly due to particular policies hrought in hy the Socialists.

Nationalisation, which stripped the bourse of some of its leading stocks along with toughening of exchange controls tended to create a structural shortaga of investment opportunities in France-from which the bourse could only profit.

In a spate of recent books in Switzerland on the midnight train.

This popular image of Croisset (assistant managing This popular image of Croisset (assistant managing french savers hanging on doggedly to the financial mores of the 18th century has been confounded by five years of socialist rule.

President Francois Mitterpresident Fran and industrial groups.

It is true that the present financial management of nationalised companies has already proved highely astute in selling a variety of non-voting shares and other equity-like paper to the bourse to improve their capital resources. Such issues have surged above all in the last few months precisely because investors believe they represent a cheap roule to acquiring voting sharea later on.

Additionally, denationalisa-tion in Britain has given Paris politicians and bankers a string of ideas on bringing in fiscal inducements, instalment-pay-ment schemes and so on, to add to the sauce of privatisation à

Yet the overall lesson of France's most celebrated previous rush into paper money—the sage of the assignats issued in eventually self-destructive quantities, after the French revolution — still sticks in the mind. Paper, whether in the form of bonds representing a claim on land nationalised from the French clergy or share flotations by reprivatised state groups, will only find its way to investors' vaults if the value of the underlying assets remains ettractive in relation to the quantity issued.

In view of the still relatively low profitability of French groups on the privatisation list, the right's mein worry must be not to strain the absorption capacity of the hourse. Unless denationalisation is handled carefully French investors may be tempted to turn back to gold after all.

Denationalisations: Les Lecons de l'Etranger, C. de Croisset et ol, Economica.

Sellafield and nuclear power From Mr N. Franklin.

Sir, -Almost everyona would agree that the future use of nuclear power in Britain will be determined by its acceptability to the public and therefore by its perceptions of the risks. Thus, although as individual risks they are very small the recent incidents at Sellafield are Important, because they contri-bute to these perceptions and hecause the public is not well placed to decide whom it should

Your editorial-(March 5). also shows a curious imbalance in your presentation of the issues. The total radiation delivered to the British population now and in future by the liquid effluent from Sellafield in 1985 is likely to be about 10 units (Man Sieverts). Nearly all of this will verts). Nearty all of this will represent a truly imperceptible change, in the dose to individuals because the natural hackground is responsible for 150,000 units a year to the same public, but some small groups

will receive more.

If, as you advocate, the UK should choose the pressurised water reactor rather than the advance gas cooled reactor for a modest future nnclear proa modest future nuclear programme, this choice would also result in an extra radiation dose of about 10 units a year, but it would be concentrated on the thousand or two people responsible for operation and maintenance of these PWR units.

Such radiation dose commitments distributed in this way are of equal importance even though, at less emotional times, this importance may not be thought too great.

N. L. Franklin, (Former Chief Executive of British Nucleor Fuels and of the National Nuclear Corporation), The Evergreens,

Parkfield Road, Knuisford, Cheshire.

J. 188

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Video and tape levy plans From Lord Wilson of Rievaulx

Sir. — According to your report (March 15) the Government is proposing to introduce a levy on blank audio tapes, hut not on videotapes. It is also stated in your political editor's report that the Government's deciaion to exclude video from its tape levy plans is hased on the argument that most video recording represents "time shifting" of TV programmes generally erased after one viewmg. This argument is illfounded, as can be seen from the British Screen Advisory Conneil's detailed report on this

Principal a community of the control Letters to the Editor

viewed not only once but be-come part of permanent collec-tions, are loaned to friends, and even (a recent practice) given away as Christmas presents. Moreover, the use of pre-recorded films - hired, or sold

at knock-down prices—is soar-ing, enabling a whole family to watch a film for infinitely less than the cost of their attending than the cost of their attending a cinema—and in the UK more people watch films on video in one week than attend the cinema in one year. Although this may he of short-term benefit to the consumer, it forces a price war on to the cinema, creating an intolerable threat to a serious art form and an unoccentable burden on an unacceptable burden on sources of film production

finance.
The success of video derives The success of video derives from the free availability of feature films on TV. Video, however, is killing the goose that lays the golden egg and, if current trends in the financial plight of the British film industry continue, there will be fewer and fewer new, highquality films being made, and the video industry will become

atarved of product.

In these circumstances it is clear that video should contribute something towards the industry providing the product.

My council has estimated that a levy of 900 on a three-hour a levy of 90p on e three-hour videocassette (costing £4.50) would yield around £20m e year. If the major part of this sum were made available for investment in British film production as an increase in the duction as an increase in the limited funds now available to the recently formed British Screen Finance Consortium, it would do much to stimulate British film production and would in turn serve tha long-term interests not only of the but also of the consumer by providing a wider choice of

Wilson of Rievaulx.
(Chairman, British Screen:
Advisory Council).
House of Lords, SW1. Practical wisdom

in education

From Mr I. Herbertson Sir.—Anthony Harris displays rugged good sense (March 8) by drawing altention to the need for an element of practical wisdom in educational curricula in order to improve those Conneil's detailed report on this subject a year ago.

There is ample evidence to show that taped films (by far the major area of taping) are hoping for a managerial career.

it a sadly mistaken move.

Nobody should pretend that the new graduate can march into management hut studying classics, philosophy and literature do help to train the future classics, philosophy and interature do help to train the future
manager just as much as the
study of physics, engineering
and computer science. The valuable asset they give to potential
managers is the skill to handle
difficult and unfamiliar
material. They also lack one
fault in that they do not produce "horses for courses"
armed with the way of dealing
with problems. Perhaps the
failing of Dr Arnold's "whole
man" is in being behind the
timea and not in being obsolete.
I would like to endorse
strongly Anthony Harris' point
that post-experience education
should be encouraged. It should
be much easier for people to
undertake higher education
after some years at work and
the attitude that this is odd
should be discouraged aeverely.
Ian Herbertson. Ian Herbertson. 15 Dovercourt Avenue,

Surrey. SERPS can be afforded

Thornton Heath,

From Mr M. Meacher, MP Sir.—Eric Short reports me (March 8) as saying during the current commillee stage on the Social Security Bill that a nationel insurance joint (employer-employee) contribution rate of 27 per cent in 2033 was "pro-perly ecceptable" as a price for preserving the state earnings related pension scheme (SERPS) in its present form, 1

have said no such thing.
What I did say was that 27
per cent on which the Govaroment chooses to bang lla claim about the unviability of SERPS, about the unviability of SERPS, was a contrived figure which is very unlikely ever to he realised. The Governmenl Actuary's report on the financial effects of the current Sociel Security Bill states that "as contributions are linked to earuings while some or all of the ings while aome or all of the assumption of I.5 per cent per year real growth. The Chancellor on the other hand regularly boasts of 3 per cent per year real growth. Even if future real of enthusiasm as I think overgrowth in agraings years. then adds that he made an

on the Government's assump-tions, and even if the hasic pen-sion were uprated for 1ba next 50 years in line with earnings (which the Government has rejected), the joint contribution rate would still be only 20 per cent in 2013, and after hitting a peak of 27 per cent in 2033, would fall back again to 24 per cent in 2053. Even more significantly, if, as the Government has done, the basic pension were uprated each year in line with prices ouly, the maximum joint contribution rate in 2033 -- according to government fig-

ures—would be only 18.5 per cent, and would fall back again to only 15 per cent in 2053. This is all the Government's own evidence, and none of it supports its claim that SERPS cannot be afforded.

Michael Meacher, House of Commons, SW1.

From Mr N. Dovie-Thornhill

Land as an asset

Sir.—I read with interest John Cherrington's comment (March 4) on land values. Up to recently I shared bis pessimism but I no longer do ao. For the past 40 years farmers bave been under considerable pressure in the form of persuation and bribary through grants. sion and hribery through grants and advice to invest lerge amounts of capital to increase outputs of their holdings. This campaign has been too success-ful and has produced the surpluses which are now such an expense and embarrassment

an expense and emparassment.

I think the message has got through loud and clear to farmers that increased production is not the way to solve all problems and I would expect capital investment in agriculture to eleve the expense a trickle. ture to allow down to a trickle in future years. This will reduce the overall level of out-

People will still hold land as a durable asset, for my part I would much rather have money in land than, aay, pictures, which produce no income whatsoever, need to be insured, are at risk from fire, thefl, or vandalism, apart from changes in fashion in the art market—whereas land is virtually indestructable, not easily stolen, has corable amonists value. has considerable amenity value (in my view a much greater amenity value than a work of benefits are not, growth in real art), has a real or potential earnings tends to hold down sporting value, besides giving the projected contribution the owner a worthwhile stake rate." The Government Actuary in the local community. I feel all these advantages will always

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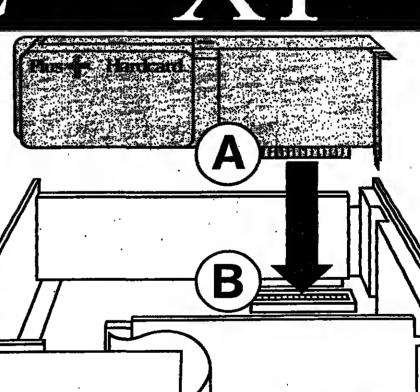
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DECISION TO REMAIN IN ALLIANCE WINS WARM WELCOME

Nato breathes easier after Spanish vote

SPAIN'S vote to stay in the North vote against Nato, leading to Span- able practical difficulties for some of Spain's partners, since the counwarmly welcomed yesterday at alli- dangerous precedent. It could have try is involved under a Nato banner warmy wercomen yesternay a and an encouraged opponents of the alliance headquarters in Brussels and encouraged opponents of the alliarceted with widespread relief in ance in other member countries to with Britain, West Germany and greeted with widespread relief in the capitals of the 16-member organisation, writes our Foreign Staff.

Lord Carrington, Nato's secre-tary-general, said he was delighted with the vote and in a statement added: "I know I reflect the feelings of all other members in welcoming

The Foreign Office in London said the Spanish vote was of "his-toric importance for the West," while a US spokesman said that by "strengthening the security of its own democratic values, Spain had also strengthened those of its friends and allies."

Washington had feared that a

Brussels

examines

loans to

By Paul Cheeseright in Brussels

there are exceptions under the con-

The French Government has re-

ceived from the Commission a

hroad approval for providing renovation finance through the FIM.

But each case has to be notified to

Brussels and here, according to the

Commission yesterday, the French

Government fell down on its

The Commission queried the FIM loans of FFr 70m (\$9.96m) to Perrier

and FFr 40m to Societe Europeenne

de Brasserie because they were for ordinary modernisation. Thus, it is

believed, they could distort

FIM loans have a maximum du-

ration of two years but they can

cover, within the terms of the Com-

Officials in Brussels were

sion is seeking to adopt a more stringent attitude towards the pro-vision of subsidies.

UK to decide

trol of the Commission.

obligations.

Perrier

oval of the important US military the chairmanship of one of Europe's hases as the next step.

Nato's opponents in Spain had been seen in Washington as motivated largely by anti-Americanism, a further reason for satisfaction in Washington at their defeat. Defence officials throughout Nato

dence within the organisation.
It could also have led to consider-

Spain is also about to take over key armaments co-operation bodies, the 13-member Independent European Programme group whose work could have been thrown into confusion by the country's with-drawal from Nato.

However, tha vote leaves Spain in yesterday reacted with relief, for an anomalous position in the allieven though Spain's membership of ance. It is more integrated than Nato has up to now been primarily France but not yet a full member of political importance, a No vote committing its troops to joint exer-could have led to a crisis of confi-cises and, in time of crisis, to the defence of other Nato members. Spanish membership was frozen

tive government was on its way to accept all aspects of the alliance. full integration for Spain in Nato's Gen Bernard Rogers, the s Spain has remained - as France is not - a member of the influential Defence Planning Committee and of the Military Committee. It also has observer status in the important Nuclear Planning Group, even though Spain refuses to have

Officials at Nato headquarters are now waiting to hear how the Spanish Government will interpret the "yes" vote in the referendum under which voters approved the country's present status. Lord Carrington took a relaxed view yesterday, noting that in the past it had been possible to accom-

nuclear weapons on its oil.

Gen Bernard Rogers, the su-preme commander in Europe, said military command structure, a pro-preme commander in Europe, said cess halted by the socialists. But that Spain's position outside the command structure would mean we could at least carry on with the Spanish forces to the extent that we do with the French" - which includes thorough military consultation and joint exercises. Spain's 320,000-strong forces two-

thirds of whom are conscripts, are considered in some Nato circles to be rather ill-equipped and not parti-cularly well trained, a factor leading to some amhivalance about the precise role they should play were the Spanish Government to decide it wanted full military integration.

Cost of Gonzalez win, Page 2

US sharpens criticism of Chile's human rights record

sharply escalated its public prestions of human rights in Chile." gime's human rights record and its treaties have not been adequately failure to establish a dialogue with responded to." the moderate opposition.

THE European Commission is scrutinising the conditions under which the French Government has granted loans to Perrier, the mineral water company, and Societé Europeenne de Brasserie, a brewing company in the BSN group.

Provision of the funds is suspended while the examination goes It is also making informal inquiries about a further 12 loans grant-

ed by the Fonds Industriels de Modernisation (FIM) to companies as diverse as Peugeot, Renault, Thom-son and Pechiney. But Commission Mr Schifter directly implicated the Chilean security services in acts of Con Pinochet is due to stay in the torture and killing and complained presidency until 1989 when the Govprocedures have not reached the stage where the provision of funds would automatically have to be suspended.

These actions are taking place under Article 93 of the Treaty of the US Government was "greatly ed as the candidate. Rome, setting up the European Community. Geoerally, subsidies are forhidden by the treaty, but

countries.

THE British Government is relax-

ing its rules on research funding to make it easier for UK companies to

join Eureka, the pan-European

technology programme involving 18

Under the relaxation, announced

esterday by Mr Geoffrey Pattie,

Minister for Information Technolo-

gy, companies involved in Eureka

projects will be able to apply to the

THE REAGAN Administration has "the persistence of serious violasure on the dictatorship of Gen Au-gusto Pinochet in Chile with a wide-ence, Mr Schifter said: "We go pubranging criticism of both the re- lic when it appears our quiet en-

The move reflects growing con-The criticism has been delivered cern and frustration in Washington in the UN Human Rights Commis-sion in Geneva by Mr Richard proach to the opposition political Schifter, the US ambassador, who is sponsoring a tough resolution managed to form a joint democratic condemning Chile for its human platform. The platform, supported rights abuses. This is the first time hy 11 parties ranging from the right since the Reagan Administration to the socialist left and with tacit took office that such a public attack has been made on Gen Pinochet. In presenting the resolution to transition to free elections and res-the UN Commission on Wednesday toration of democracy.

that the courts were failing to pro- erament will select a single presivide the necessary legal protection dential candidate. Gen Pinochet has against such abuses. He also said not ruled out that he will be select-

concerned" at the way the Pinochet US officials are concerned that by regime was ignoring the chance of refusing to take up the chance of a a dialogue with the opposition political parties.

dialogue Gen Pinochet will alienate moderate opinion and encourage The resolution itself, the first in-political instability. This view is itiated by the US over Chile, notes shared by members of the EEC and

Britain relaxes funding rules

for Eureka project companies

So far, 26 Eureka projects have been approved, each involving com-

panies from several countries and

spanning technologies such as com-

puters, transport, hiosciences, tele-

communications factory automa-

British companies - including GEC, ICL, British Aerospace and

PA Technology - are involved in se-

ven of the projects. Expenditure on

the 26 programmes over the next

£500m, which will be shared be-

tween companies and governments

four years is estimated at about

tion and materials.

Latin American governments. Gen Pinochet and the ageing Gen Stroessner in Paraguay head the only right-wing military dictator-ships left in Latin America.

The popular protests in Haiti and the Philippines and the sudden pub-lic switch of US backing for the Duvalier and Marcos regimes have focused new attention on Chile and Paraguay as a result.

ean opposition feel this is a crucial moment for the US to exert more direct pressure on Gen Pinochet.

In previous years the US content-ed itself with rejecting Cuban-backed resolutions on Chile as "unbalanced." This year the Cubans have left the field to the Mexicans who have presented a resolution in similar language to that of the US. Negotiations are going on for a single resolution, with the US in-sisting on the inclusion in the text of a condemnation of acts of terrorism committed by the extreme left

Last year US displeasure with the Pinochet regime was discreetly made known by deliberate delays in approving an Inter-American De-velopment Bank loan,

and industry official with respon-

sihility for Eureka, said yesterday that 42 new Eureka research pro-jects were under discussion. British

concerns were involved in half of

Speaking at the end of a two-day

meeting in London of civil servants

from the 18 countries which are co-

ordinating Eureka, Mr Oakley said that agreement was close on estab-lishing a full-time secretariat to run

This is likely to consist of one of-ficial each from five nations, with a

the research programme.

Eurobonds will back new UK home loans

A GROUP of London institutions yesterday announced the formation of a specialist mortgage company, with £25m (\$36.4m) of equity capi-tal, to launch the UK's first market

in mortgage-backed securities.
The Household Mortgage Corpor ation will raise funds through the issue of marketable securities and lend them directly to home-owners Its target is to lend £1bn in the three years after it starts trading in

HMCs founder shareholders are Mercantile House Holdings, the international financial services group, Globe and Electra investment trusts and International Financial Markets Trading, a small arbitrage and investment company. Other shareholders include the National Coal Board Pension Fund, Investors in Industry and Sumitomo

Life Insurance Company of Tokyo. HMC is the most ambitious of a variety of schemes launched over the last two years to break the traditional pattern established by the building societies by which a single individual savers and lends it a

Another scheme is to be launche in the next few weeks by the mer chant bank Kleinwort Benson. Its Mortgage Funding Corporation will serve as an agent for raising bank finance which others, including Kleinwort Benson itself and severa insurance companies, will lend to

home-owners. By contrast HMC plans to raise funds by issuing to companies and financial institutions Eurobonds and other marketable instruments which will be secured on the hous ing stock of the borrowers. HMCs managing director, Mr Duncan Young, who was formerly head of capital markets at Hambros bank said that HMC will take major positions as market-maker to ensure

that there is sufficient liquidity. The mortgages will be marketed agents, mortgage brokers and insurance companies. They will be remunerated through the commissions on endoment policies and pen-

sion plans linked to the mortgages. The development of a mortgage-hacked securities market will add to the competitive pressure on the huilding societies, which currently account for about 77 per cent of all mortgages in the £130hn UK market. The attempts by the clearing and foreign banks to boost their lending has forced down some in-

terest rates over the last few weeks. The societies reacted to the development yesterday with scepticism.
Their problem will be in finding people to lend to," said Mr Mark Boleat, deputy secretary general of the Building Societies Association. "What will they be able to offer to estate agents and to borrowers?"

He suggested that the building societies would have to respond to such competition by cutting their mortgage rates further and also their interest rates to savers to below the cost of funds raised from the wholesale money markets.

Statesmen meet Mandela

courage the South African Government to begin constitutional talks with black leaders, including Mr

which concluded the Nassau meet-

THE LEX COLUMN

Hollow laughter from Shell

On the day that Exxon cited the fall in the oil price as a reason for a \$2.8bn cut in its capital expenditure programme Shell has seen fit to announce an increase in its dividend. The comparison certainly struck US investors yesterday, ans as the piled into Shell so UK investors were able to take profits. The shares closed up 12p at 757p after

hitting 776p.
Unlike its North Sea partner Shell is intending to spend as much this year as it had planned to in 1985. until that figure was swollen by the chance of buying half of Oxy's giant Columbian oilfield. Similar opportunities to buy once in a state of the state of lifetime assets from financiallystretched US oil groups are likely to be much thicker on the ground (and

offshore) this year.

That should not alarm shareholders who do not share Shell's long-term view of the markets in which it operates. For at least the UK shareholders seem set to benefit from the petrocurrency tendencies of sterling, which have been obscured by the recent weakness in the dollar, to the dismay of all oil companies reporting in sterling.

The petrocurrency factor has been very clear in sterling's showing against European currencies, so that at current rates, a maintained 1996 guilder payout to holders of Royal Dutch will involve a 10 per cent rise in the sterling value of the dividend received this side of the North Sea median line,

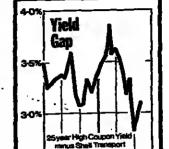
Even if Shell were not to cut its vannted capital spending plans a \$15 oil price throughout 1986 should still enable the company to cover such a payout on halved net earnings. Shell will in the current quarter

have been more than amply rewarded by the pricing truce, in oil products, as the industry busily empties its refineries of "high priced crude. The merits of LIFO, so useful af-

ter 1979, are suddenly invisible. But these downstream profits are in their nature a windfall. By the second quarter downstream margins could well be at traditionally thin levels, and no real cover for the butchery in the upstream business, even for Shell.

Rowntree Mackintosh

Rowntree is fighting a constant and expensive battle with both competitors and customers to in-



crease its margins. UK trading margins were up a full point in 1985 but market share was down by nearly as much. Its largest French customer's hid for bigger discounts, backed hy a two month buying strike, made a hole in the middle of European

profits. The sad truth is that Rowntree's main markets offer little growth but plenty of opposition. The only exception is specialist retailing, where expansion through buying shops has fired the board's imagina-tion. The Original Cookie US husiness, which chipped in around £3m in nine months, might breed chains of hot hiscuit shops across Europe A quicker route is through acqui-sitions, and the management has the determination and the funds to

make a fair sized purchase, Shareholders must hope that the overamhitious expansion into Europe in the 1970s, which has left the group with a huge and unsaleable investment in underperforming assets, will not be repeated. Meanwhile the currency markets

are not helping, with the rand's fall knocking £2%m plus off profits in 1985 and the dollar likely to cut even more off 1986 profits if it holds this level. Growth of pre-tax profit from £79.3m to £85m expected for this year will scarcely make up in the share price what the retreat of

Jaguar is developing into the over roughly 3m shares per day on ders in BHP may wonder if they Nasdaq. As a result the share price should be indirectly buying in their seems to have escaped almost en- own stock.

tirely from such negative influences as London-based price-carnings The London market, moreover,

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has evidently thinned out. Yesterday it was hard to buy the shares when they were initially marked down for failing to beat the more enthusiastic profit estimates, and they closed 15p to the good at 468p.
Under the mildly disappointing increase of one third in pre-tax profits to £121.3m Jaguar enjoyed a compensating boost to earnings, stemming from an extra tranche of

prior-year tax losses (courtesy of BL). The near-doubling of capital investment should keep the tax charge marginally subnormal for another year. For that reason even London investors were willing yesterday to chase the shares back up-market.

But the expectation of flat profits in the period when the XJ 40 is finally introduced, presumably this autumn, implies that even a steady share price would amount to a rerating. If the new car is a success. producing extra volume and a pricing premium, that should be justified within a year or two since the design also builds in a 10 per cent productivity gain. But all that lies well beyond the various fireworks scheduled for next October.

Bell/BHP

The possibility of a Pacman de-fence in the Bell Resources takeover hid for BHP must have figured in the earliest computations of Mr Holmes à Court. It has always appeared a test of the BHP management's nerve, whether they would be able to resist the temptation of responding to outrageous pressure by making a retaliatory offer for Bell. Judging by the sheer quantity of Bell stock that BHP has been picking up, it now seems that EHP has more in mind than simply blocking the resolution to place Bell Resources shares with Bell Group. It looks rather as if BHP has cracked, deciding that the best way to deal with Bell is to pocket all the Bell shares - what might be called the marsupial defence. And that will presumably displease Mr Holmes a Court not at all - for at Around 40 per cent of the company least it gets Bell off a precarious is held by US investors, who turn treadmill, but the other sharehol-

mission's general approval, up to 40 per cent of the cost of new Trade and Industry Department for op to half their share of research costs and 25 cent of development pains to stress that the French in-The funds will come out of the devestigations were routine, citing repartment's existing annual budget for research and development of cent similar inquiries in Belgium. Italy and the UK. But the Commis-

Continued from Page 1 on N-power

about £360m (\$527m).

Continued from Page 1 tricity demand in the past three years had been growing faster than

ad been forecast. When the CEGB had drafted its case for Sizewell B, there was no immediate need for its capacity to maintain supplies, so the board had concentrated on a case showing that Sizewell B was a good commercial investment.

But the situation was constantly changing. "Now we do need a Sizewell B and further plants just as soon as we can, in order to meet our capacity requirements as cost-effectively as possible in the mid-1990s. So our case is now inevitably a little different, but the answer remains

World Weather

\$1bn loans for Latin America

They have got to help themselves,

In the congressional hearing at which Mr Baker testified, some members of the Senate appropria tions committee warned that Congress might slash US funding for the World Bank and other multilateral development banks as part of its efforts to trim the federal budget deficit. Senator Robert Kasten, a Republican from Wisconsin, told Mr Baker: "We are on a collision course here. There is some pressure to cu [their funds] in half he said.

Mr Baker responded by saying that the funding the Administration is seeking was only slightly higher than current levels and was based

Mexico to ease airline rules as tourism boost

Eureka was proposed by France in a ratio which varies according to last April as a way to pool European expertise in technology to develop Mr Brian Oakley, the UK trade

BY DAVID GARDNER IN MEXICO CITY

measures to deregulate air travel in order to boost revenues from tour-the hotel rate at main resorts. ism and thus partially offset the huge drop in foreign exchange earnings it faces this year as a re-

sult of the collapse of oil prices.

The authorities are to open up group routes to foreign airlines and charter traffic, particularly from Europe, from April 16 in a bid to make Mexico's existing tourist fa-cilities and considerable untapped potential internationally competi-

From that date Mexico's two flag airlines, Aeromexico and Mexicana, will be offering discounts on national and international routes ranging from 20 to 40 per cent. The authori-

MEXICO yesterday announced ties intend to try to package these

The cash-strapped Government is also to eke out extra financial resources for the tourist industry probably hy waiving value added tax on tourism transactions and removing tariffs on its imports

According to the Government announcement tourism brought in \$8.9bn in 1983-85, from a record 13.6m visitors. They were attracted in large part by a rapidly depreciating peso. This is equivalent to about

10 per cent of all foreign exchange earnings and 20 per cent of non-oil

Tin group quits LME Continued from Page 1

However, the exchange yesterday als, over the ring-out decision. was given a welcome boost to morala from one of its biggest clients Metaligeselischaft, the West German metal company and the parent ter de Koning, the buffer stock of Metallgesellschaft Ltd. Mr Heinz manager, warned the council in Schimmelbusch, a main board director, said the group would play its a tin price of £4,000 |a tonnel or low-

government price-support pact, demoney by the ITC in suing the tin faulted in October. Lonconex had council and possibly its 22 member previously announced plans to governments, including the UK leave the ring, MMC Metals went The LME says it might sue on the into liquidation, and Henry Bath & brokers' behalf. The exchange itself Son was taken over this week by

part in rebuilding confidence in the

since the tin council, which ran out Metallgesellschaft intends joinof money administering an inter- ing other banks and brokers owed

> faces legal action from hroker Shearson Lehman Brothers and its subsidiary. Shearson Lehman Met-

Meanwhile, confidential ITC documents have disclosed that Mr Pie-September of "the near-certainty of er for years to come" if the council

Continued from Page 1

The declaration by beads of state

ing called for the dismantling of apartheid, the end to the state of emergency (lifted last Friday by the South African Government), the immediate and unconditional release" of Mr Mandela and others imprisoned for their opposition to apartheid, and a lifting of the ban on the ANC and other political



Alexanders Laing & Cruickshank Holdings Ltd

. purpose built for the mid 80's and beyond...

Mercantile House Group

leaker



SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Friday March 14 1986

ginal profit in 1984 and losses on sult for 1986 that is more or less the



US Steel hit by falling oil prices

By Our New York Correspondent US STEEL, the leading American steel company, said yesterday that it would take a \$260m charge to re-

flect the declining value of energy inventories in its Marathon subsid-According to the company's annual report, the charge will be made against first-quarter earnings to make up for the difference between actual selling prices and the carry-ing value of the Marethon oil and gas inventories. In the same quar-ter of last year, the group declared earnings of \$58m, although \$38m of that came from non-recurring

E-Care

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gains.

The accounting adjustment, a mon-cash item, would reflect reductions from the higher values as signed to crude oil and refined product inventories under the purchase accounting method at the time of the acquisition of Marathon in early 1982. the company added. If market prices increased, the charge would be reduced or eliminated. net profits to a record SFr 68.5m al one-for-15 rights issue of reg-istered and bearer shares and will Elsewhere, non-flight services Shareholders will also be asked create a further 25,000 registered showed a "sound performance" for at the April 24 annual meeting to and 5,000 bearer shares without the 20th year in succession – while . US Steel's move follows similar asset write-downs by several other

large US energy groups, including Standard Oil and Mobil. These charges reflect the precipitous fall in oil prices at a time when US Steel itself is moving more strongly into the energy sector with the re-cently agreed acquisition of Texas Oil and Gas, one of the premier gas

one-for-10 rights issue against exist its primary goal, which was to ing shares, A further series of 1,5m achieve a "solid, black-ink result on Mr David Roderick, chairman of US Steel, said the company had tak-en steps to mitigate the effects of declining oil prices by entering into netback purchase contracts and moving into the spot market.

Lutz to quit as Ford Europe head

By Kenneth Gooding

MR BOB LUTZ is shortly to give up the chairmanship of Ford of Europe and return to the US to head Ford's

The move, which Ford would not confirm yesterday, will be widely seen as a demotion for Mr Lutz, 54, who once appeared a serious con-tender for the group presidency. However, two years ago his for-

mer job - with responsibility for all Ford operations outside North America – was split in two, and he became chaiman of Ford of Europe once more, a position he had filled between 1979 and 1982.

Two years ago Ford attempted to present the change more as a promotion for Ford of Europe, which accounts for about 33 per cent of its worldwide business, But it will be hard pressed to con-

vince observers that Mr Lutz's new post is even a sideways move . However, Mr Lutz reported last week that Ford of Europe's net profit rose from \$147m in 1984 to \$326m

GENERAL MINING Union Corpor-

mining and industrial finance

house, boosted 1985 earnings by 86.2 per cent to a record R458m

(\$230.5m) from a restated R275.5m

The latest earnings equal 481 cents a share on the capital in-

creased by last year's rights issue. A final dividend of 140 cents brings

the 1985 total to 195 cents compared

with 190 cents for the previous year.

Gencor points out that 1984 earn-

US OIL GROUPS SLASH CAPITAL EXPENDITURE PLANS BY \$4.3BN

Exxon, Chevron to trim spending

BY WILLIAM HALL IN NEW YORK

EXXON and Chevron, two of America's leading oil companies, yesterman, said yesterday. These reductions are leading in response to the day announced plans to reduce bons are largely in response to the their 1986 capital spending by a combined total of \$4.3bn because of and a re-examination of our stratethe recent sharp drop in oil prices. Exxon, the world's biggest oil company, said its capital and exploration expenditure for the cur-

rent year had been cut by 28 per cent to \$8bn from the 1985 total of \$10.8bn. Expenditure for oil and gas exploration and production, which had totalled \$7.6bn last year, will be their capital spending plans in rereduced to \$5.6bn in the current sponse to the recent chaotic condiyear. Spending on the group's refining and marketing operations will ever, Exxon's move is significant be cut by 21 per cent to \$1.5bn.

BY JOHN WICKS IN ZURICH

airline, intends to step up its divi-dend from SFr 35 to SFr 38 a share,

These non-voting sbares will have no nominal value but entitle hold-

company's equity base.

ers to a one-fifth dividend.

Mr C. C. Garvin, Exxon's chairman, said yesterday. These reductions are largely in response to the industry giants are now resigngies in light of today's business environment to ensure Exxon retains its strong financial standing and has the flexibility and resources to pursue attractive opportunities."

Several US oil companies have alever, Exxon's move is significant because of the company's size and

approve a four-stage increase in the drawing rights to be reserved for the charter-subsidiaries Balair and

Mr Robert Staubli, president,

ing themselves to a world of lower oil prices than anyone thought possible just six months ago.

In Søn Francisco, Chevron, which is still digesting its \$13bn takeover of Gulf, announced that it was re-ducing its estimeted capital spending by 30 per cent to \$3.5bn. This compares with a \$5bn target set last year before the collapse in oil

spending level, which included both gramme.

flight operations in the four preced-

CTA both recorded "very good

Mr Staubli pointed out that over-

1977. The sirline bad also benefited

last year from more favourable eco-

nomic conditions and exchange

However, Swissair is expecting 340.

rates and cheaner fuel.

project deferrals and cancellations, reflects "the uncertainty of future crude and product prices." He poted that the target could be revised again should the outlook change.

About 65 per cent of the \$3.5bn Chevron now plans to spend is des-tined for upstream activities - exploration and crude oil and gas production - which, it says, is down only slightly from the 1985 level.

Mr Keller says Chevron is reexamining its operating expense and manpower requirements in Mr George Keller, Chevron's view of the reduced activity implied chairman, says that the lower by it revised capital spending pro-

same as that achieved in 1985."

Deliveries of new aircraft this year and next as part of Swissair's fleet modernisation programme

will require no new funding trans-

actions. Apart from internally gen-

erated resources, the airline will re-sort to only a "very modest share of its substantial liquidity reserve."

In the coming decade, Swissair is to replace its DC-10 fleet. Mr Stau-

bli said potential successors were the McDonnell-Douglas MD-11 and

the four-engined Airbus Industrie

Norwegian groups discuss merger

By Fay Gjester In Oslo

TWO LEADING Norwegian concerns - Orkla Industrier and Borregaard - yesterday said they were discussing a merger and aim to reach agreement soon.

Earlier this year, Orkla increased its stake in Borregaard from 18 per cent to 48 per cent by buying large blocks of shares from, among others, the Kosmos shipping and in- \$21.1bn. dustrial group.

A joint statement said the aim

was to establish "a strong Norwegian industrial unit, with potential for development, and with the necessary resources to compete inter-

Talks were being continued on the assumption that a merger would involve the exchange of six Orkla shares for five shares in Borregaard.

Borregaard, which has interests in forest products, chemicals, metals and foodstuffs, recently an-nounced 1985 profits before ex-traordinary items of NKr 195.7m (\$27.2m), compared with NKr 168m in 1984, on turnover of NKr 5.4bn (NKr 4.7bn).

Last year extraordinary items boosted the total by NKr 81m, giv-ing a pre-tax result of NKr 276.7m

Dividend is being increased to NKr 14 a share, from NKr 12. Orkla Industrier, an investment/ industrial group, reports operating income of NKr 3.45bn in 1985,

against NKr 2.63bn a year earlier. But group profits were almost un changed, at NKr 230m (NKr 228m). Increased earnings from investments more than offset poorer results from industrial activities, but net earnings per share were lower -NKr 59 against NKr 62,50.

 A leadership change has been announced at Laly, the Norwegian shipping and investment company which has recently had difficulty raising funds for its continuing takeover battle with Kosmos.

Mr Wilhelm Blystad, one of two brothers whose corporate raiding activities have attracted much pub-licity in Norway, is being replaced as managing director by Mr Gun-

Weak final quarter more than halves K mart earnings

BY TERRY DODSWORTH IN NEW YORK

K MART, the second largest retail on last year's performance, with chain store in the US, reported e sharp fall in profits last year, when a large loss on discontinued operations are then below the state of the stat tions more than halved net income. Earnings for the year to the end

results from continuing operations showed only a small decline from last year at \$471.2m, or \$3.63, against \$498.7m, or \$3.84. Most of the decline in K mart's

earnings was attributable to the final quarter when net earnings dropped to only \$10.5m, or 9 cents a share, following a large loss on discontinued operations.
In the same period last year the

company achieved earnings of \$204.3m, or 1.57.

The company said that sales for

of January came to \$221.2m, or \$1.73 a sbare, against \$499.1m, or \$3.84, in the previous year while sales increased to \$22.4bn from competitive period. Gross margins, \$31.1bn. however, improved because of significantly lower markdowns due to With the loss from discounted ificantly lower markdowns businesses amounting to \$250m, the

 Dayton Hudson, the Minneapohis-based operator of discount and department stores, lifted fourthquarter net earnings to \$153.3m, or \$1.58 a share, from \$148.7m, or \$1.54, a year earlier.

The latest result inclodes an 8 cents-a-share charge for a Life accounting provision, compared with a credit of about 1 cent a share in the first quarter of 1984-85.

For the year ended February 1 The quarterly results were are the company reported net earnings rived at after taking in a loss of \$283.6m, or \$2.92, up from \$237.8m from discontinued opera-

Revenues advanced from \$8.01bn On a continuing basis, the figures showed a substantial improvement uses up from \$2.74bn to \$2.94bn.

Rivals for Providence raise takeover offers

BY DAVID HOUSEGO IN PARIS

THE TAKEOVER battle for Providence, the French insurance group. 900m before the takeover battle bedence, the French insurance group, has intensified with sharply increased bids from the rival conten-

The new offers from the Axa iniary is Drouot Assurances, and Drouot. This puts a value on Provi-from Compagnie du Midi, which owns Assurances du Groupe de Par-Compagnie du Midi has inis (AGP), put a value on Providence shares of between FFr 3,108 (\$442)

Axa has raised its offer from 5.5

to 7 Drouot shares for each Providence share subscribable through a surance group, whose main subsid- convertible bond to be issued by

Compagnie du Midi has in-creased its bid by offering to exchange Compagnie du Midi sbares and FFr 3,700 compared with a last with Providence shares instead of quoted price of FFr 766 when they AGP shares. The new offer is for were suspended from trading in No-three Compagnie du Midi shares as vember. The offers correspondingly raise the market capitalisation of value on Providence shares of FFr Providence to between FFr 3.6bn 3.108.

Ericsson information systems loss soars

Swissair to increase dividend and capital

SWISSAIR, Switzerland's national will be issued to back a subsequent ing operating surplus amounted to another good year. Mr Staubli said airline, intends to step up its divicertificate-based warrant bond SFr 27m last year, after only a marthere should be a "bottom-line re-

cluding depreciation by 8.2 per cent all profit margins were still below to SFr 4.29bn. all profit margins were still below the levels achieved in 1969 and

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

following a 12.8 per cent growth in net profits to a record SFr 68.5m (\$35.5m).

Shareholders will also be asked create a further 25,000 registered

The board plans the creation of so-called dividend-right certificates.

Last year, total revenues rose 8.5 per cent to SFr 4.35bn and costs in-

A first series will be issued in a said the airline had accomplished

certificates without drawing rights flight operations. The correspond-

revealed yesterday that it had run to anticipate a year ago." up higher than expected losses of

Mr Bjorn Svedberg, chief execu- er levels.

BY WILLIAM DULLFORCE IN GENEVA

yesterday reported a 17.7 per cent

increase in consolidated net profit

to SFr 1.75bn (\$910m) for 1985.

Group sales, boosted by the incor-poration of Carnation, the US pro-cessed foods company which Nestle

bought at the beginning of the year,

reached SFr 42.2bn - up by 35.8 per

The dividend Nestlé proposes to

pay its shareholders will be known

after the board meeting on April 6

but Mr Helmut Maucher, managing director, has said that it is unlikely

that year R129.9m was written off while a further R77.1m was de-

ferred for future amortisation. The

whole of the loss deferred from 1984

has been amortised in the 1985 ac-

Thanks to the weakness of the

South African currency, Gencor's mining interests with their dollar-

priced products, increased their

contribution to last year's profits by

ERICSSON, the Swedish telecom- to be more complex and demanded munications and electronics group, more resources than we had reason

Ericsson operations were now be-SKr 806m (\$111m) in its troubled in- ing focused chiefly on improving formation systems division last the profitability of information systems and the group's US subsidiary losses of SKr 217m accumulated in 1984.

Nestlé raises profits to SFr 1.75bn

NESTLE, the Swiss foods group, to be lower than the SFr 135 a share Maucher. The decline derives part-

Profit per share for 1985 works

out at SFr 515. That marks a rise of

7.3 per cent, considerably smaller

than the growth in overall earnings,

but reflecting the larger number of

shares and participation certifi-cates following last year's capital

increases which went to finance the

BY ALAN FRIEDMAN IN MILAN

months with a share issue which

will place 25 per cent of the family

controlled company in the hands of the public and which is expected to

Pininfarina's debut on the Milan

bourse is being managed by Medio-banca, the merchant bank which

will itself hold a 3.5 per cent share

stake in the Turin-based designer

raise about L50bn (\$32.2m).

following its flotation.

Milan stock market in the next few capital.

Carnation acquisition.

paid for 1984.

Ericsson's share of losses in the US amounted to SKr 349m compared with SKr 353m in 1984. With effect from the end of 1985 Ericsson has taken over sole responsibility for the US subsidiary Ericsson Inc. which was previously a 50/50 joint tive, said that "correcting the prob. The group said yesterday that op-lems that arose in 1984 turned out erating profits of the public tele-US oil company.

ly from extraordinary charges and

financing costs incurred in connec-

tion with several acquisitions made

The lower margin also mirrors a

change in Nestle product mix. Some

new operations, such as the roast

and ground coffee business, and

some milk products give lower mar-

gins than the traditional operations.

On the other hand their invest-

Pininfarina, which recently won

a \$600m order to build 48,000 Cadil-

lac car bodies for General Motors

(GM) over the next six years, last

year had L200bn of group turnover,

The group has not disclosed its

1985 net profit (the 1984 figure was

L3.3bn), but said yesterday that its cash flow last year bad amounted to

10 per cent of turnover.

a 17.3 per cent rise year on year.

dropped by 33 per cent to SKr by 11 per cent to SKr 32.49bn while 1.28bn from SKr 1.93bn in 1984.

Ericsson's characteristics. plunged to only SKr 878m from SKr 1.569bn in 1984.

Ericsson said that the lower rate of increase in sales last year had re-sulted chiefly from declining de-mand for analogue transmission equipment and a weaker than expected trend in the market for computers and office automation.

> These securities have been sold outside the United States of America and Japan. This announcement appears as a matter of record only

NEW ISSUE

11th March, 1986



KOREA FIRST BANK

(Incorporated with limited liability in the Republic of Korea)

U.S.\$50,000,000

Floating Rate Notes Due 1996

Issue Price 100 per cent.

OKOBANK

75 per cent.

Weakening rand helps

ation (Gencor), the South African heavy foreign exchange losses. In

Gencor to 66% gain

BY KENNETH MARSTON, MINING EDITOR, IN LONDON

Osuuspankkien Keskuspankki Oy

U.S.\$50,000,000

Floating Rate Capital Notes due 1992

In accordance with the provisions of the Notes, notice is In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the first three months of the Interest Period ending on 17th June, 1986 has been fixed at 7½% per annum. The interest accruing for such three-month period will be U.S.\$95.83 in respect of the U.S.\$5,000 denomination and U.S.\$4,791.67 in respect of the U.S.\$250,000 denomination and will be payable, together with tha interest for the remaining three months of the said Interest Period, on 17th September, 1986, against surrender of Coupon No. 5.

Manufacturers Hanover Limited Reference Agent 14th March, 1986



The lower profit margin of 4.1 per ment requirements are less de-

cent of sales against 4.8 per cent in manding, so that they will not re-

1984 had been forecast by Mr duce the return on invested capital.

PININFARINA, Italy's top car designer, is planning to come to the left with 71.5 per cent of the share

Pininfarina plans

bourse flotation

Jardine Matheson (Finance) Limited

HK\$1,000,000,000 91/2% Guaranteed Unsecured Loan Stock 1984/95

Notice is hereby given that the Register of Holders of the 91/2% Guaranteed Unsecured Loan Stock 1984/95 ("Loan Stock") will be closed from 1st April, 1986 to 15th April, 1986 (both dates inclusive) to establish the identity of those Loan Stockholders entitled to the half-yearly interest payment, payable on 15th April, 1986. In order to qualify for the interest payment all transfers, accompanied by the relevant Loan Stock

not later than 4.00 p.m. on 27th March, 1986. Jardine Matheson (Finance) Limited Jardine, Matheson & Co., Limited

certificates, must be lodged with the Company's Registrars, Central Registration Hong Kong Limited,

Hong Kong, 14th March, 1986.

Nomura International Limited

Al Saudi Banque

Daiwa Overseas Finance Limited Kyowa Finance (HONG KONG) Limited Samuel Montagu & Co. Limited Taiyo Kobe International Limited

LTCB Asia Limited

Crédit Lyonnais Kleinwort, Benson Limited

Manufacturers Hanover Limited Morgan Stanley International

Yasuda Trust Europe Limited

um to the A shares



We are pleased to announce that the following individuals have become Special Limited Partners:

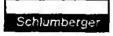
> John Benjamin Dennis Fitzgerald Jeffrey Kaminsky Stephen Sage* Richard Taddonio Michael Tucci

Mabon, Nugent & Co.

115 Broadway . New York, NY 10006 (212) 732-2820

January 1, 1986 *London





SCHLUMBERGER ANNUAL REPORT 1985

CHAIRMAN'S LETTER

Trief and shock - this is

how we will remember 1985. Jean Riboud, after 34 years with the Company and 20 years at the helm, has left us too soon. We will remember him for his loog-term vision and sense of detail, for his charisma and sense of modesty, for his patience and sense of urgency. The Schlumbergers and Jean Riboud have created and forged Schlumberger. What a challenge to follow them.

It was a difficult year for our businesses:

The oil industry, mainly in the United States and the OPEC countries, went into disarray: oversupply, expectation of an oil price decline, excessive debt after restructuring, difficulty in securing financing, uncertainty about taxation, all of this drastically reduced the activity in the United States and in the Middle East and created turbulence throughout the rest of the world.

□ The semiconductor industry went through its worst recession since its origin.

The other industries, in the United States, in Europe, in Japan, were waiting for a clear signal that the world was finally getting out of inflation and away from austerity, that the banks would hold, that protectionism would not ruin their investment plans.

Earnings of the Company for the past year were \$862 million, down 27%, and for the first time since. 980. below the ooe billioo dollar mark. Furthermore, we decided to reduce the value of Fairchild in the Company books to reflect current conditions. This caused an exceptional charge to earnings of \$511 million, reducing 1985 net income to \$351 million.

Crises have their value: they force us to concentrate on the essentials, to reconsider every option.

What are our businesses?

First, we are an oilfield services company, bringing technology to the oil industry anywhere, anytime. Whenever I am among the Schlumberger people inthe oilfield, in China, in the North Sea, in Alaska, I see the team at work and it works extremely well. It is lean, conscious of its quality, eager to serve the client, and fighting for margins.

But we want more: Schlumberger has to emerge from the present crisis, stronger, better and not stunted. The key to this lies with the research and engineering centers. Despite the oil recession, we have spent at a record level for research and engineering, in dollars and as a percentage of revenue. We have the financial means to cootinue but we will demand results. New tools in Wireline logging, testing, pumping and drilling will place us in a unique posicoo to fight the present recession and to take full advantage of the recovery

Our goal in the oilfields is to be the best, not only in the Wireline but also in the other services. We shall continue recruiting from all countries, placing priority on continuous training, giving full responsibility through decentralization to the field organization, appraising people oo results and on human qualities. In addition to our present oilfield businesses, Wireline, Flopetrol Johnston, Dowell Schlumberger, Sedco Forex, and Anadrill, we are starting our own surface seismic activity oriented toward reservoir description.

☐ Schlumberger is also an electronics company.

Having access from within to the world of semi-

conductors, measurement technology, graphics and software helps our oilfield sector stay ahead. But it does not justify losses.

People tend to forget that more than half of our electronics activities, which we call Measurement & Control, are solid, profitable and growing. It took perseverance, faith and conviction to reach this result. Today, we are ready to expand in the international markets through leadership in electricity water and gas management, electronic payments, transducers, instruments, bringing technology to the utilities, to the serospace industry to the banking

Fairchild Semiconductor has turned one corner: reaching stability and improving manufacturing efficiency. We are moving aggressively toward new products designed for specific applications or for individual customer needs. The first signs of a change in client attitude are apparent. But Fairchild has a second corner to turn, to make money.

Computer Aided Systems represents a unique attempt to bring together four companies helping industry to build paperless factories: Applicon in . CAD-CAM, Benson in computer graphics, Sentry in electronic component testing. Factron in electronic ... subassembly testing. We made progress in organizing each company, we now have to link them into a coherent group.

means quality, professionalism and selectivity. We = shall continue to move away from the intense competition of low technology products and toward the more difficult but also more rewarding service of . helping the engineering departments, from design through manufacturing.

Are we at the bottom?

Even if the price of oil does fluctuate widely in the coming months, we have now entered a period of lower prices. This should help most countries revive their economies.

Demand for energy will grow again; oil and gas will supply most of the increase. Slowly but certainly, oversupply will disappear and the Nineties could be similar to the Seventies and the Fifties, even more so if the oil industry stops looking for new oil.

A stronger economy means also a better environment for the electronics part of Schlumberger. Measurement & Control is already benefiting from increased orders and a higher value of the European currencies. Orders are coming back at Fairchild and

Nothing worthwhile is easy and we are fighting. But we are in the right business, bringing technology to industry - we have the best people, we have the imagination, the courage and the patience.

February 19, 1986

Michel Vaillaud Chairman & Chief Executive Officer

THREE YEAR SUMMARY

IIILL II2I	I JOHHMANI				
YEAR ENDED DECEMBER 31,		985	1984		1983
Revenue, in millions % Increase (decrease) over prior year		557 \$ 3%	6,370 10%	\$	5.747 (8"v]
Net Income, in millions % Increase (decrease) over prior year		351* 5 (%)	1,182	. \$	1,084
Per common share: Net Income Cash dividends declared	_	1.17° 3	4.10	5 \$	3.73 1.00
Number of employees	72	810	. 74.970		77 820

"Net income for 1987 includes nonrecorning charges with an after tax effect of \$71 t million (\$1.71 per share). Excluding these charges, net income would have been \$862 million (\$2.88 per share).
**For comparison purposes, this figure has rrison purposes, this figure has been adjusted to include the 5,900 employees of \$2000 and Dowell Schlumberger North Assence, which were

Certain information relating to directors' share dealings and group companies, required by The Stock Exchange in London to be made available, may be inspected during the next three weeks during normal business hours at Kleinwort, Benson Limited, 20 Fenchurch Street, London EC3P 3DB, from whom copies of the full Annual Report of Schlumberger Limited for 1985 may be

INTL. COMPANIES & FINANCE

Sandvik recovers with record profit

BY KEVIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

SANDVIK, the Swedish cemented carbide and special steels group, boosted its profits by 59 per cent last year, continuing two years of strong recovery following the plunge into losses in 1983.

Profits (before extraordinary items) climbed to a record SKr 1.610bn (\$222m) compared with SKr 1.013bm in 1984 and a loss of SKr

Sales were strong in most markets, particularly in Western Europe. Group turnover rose by 11 per cent to SKr 12.58bn from SKr rose by 9 per cent to SKr 12.927bn.

The strong improvement in profi-tability was chiefly due to a high level of capacity utilisation and increased productivity, Sandvik said. Return on capital employed rose

per cent a year earlier while profits per share jumped to SKr 82 from SKr 52 a share in 1984. The big jump in profits was also helped by lower financial costs and

with losses of SKr 190m in 1984. Sandvik took a one-off writedown of SKr 178m on inventories in the last quarter of the year as a re-

to 21.3 per cent compared with 20

foreign exchange gains on long-term debt of SKr 142m compared

sult of the fall in raw materials generally traded at a small prem The group said it expected to hold from its cemented carbide opera-

profits this year at around the 1985 level even if there was only a modest incease in turnover.

1.1bn of group profits of SKr 1.6bn, an increase of 39 per cent.

Profits of the special steel divi-sion rose more slowly to SKr 255m Sandvik is increasing its dividend by 40 per cent to SKr 14 a share from SKr 10 io 1984. At the same time it is planning a four-for-one share split and it is also to make a one-for-three bonus share issue. In addition it is offering shareholders with A-free shares an exchange to B-free shares which are

also quoted on the London Stock tion of its operations in recent Exchange and are traded in larger years as well as of stronger market volumes. The B-free shares have conditions.

from saws and tools increased to SKr 85m from SKr 65m a year ear-Sandvik reaped the benefits last year of a far-reaching rationalisa-

from SKr 239m in 1984 while profits

Most of Sandvik's profits came

tions which accounted for SKr

First Chicago warns of increase in bad loans

FIRST CHICAGO, holding company for the 10th largest US bank, has warned that its non-performing loans are likely to increase significantly in 1996, beginning as early as the end of the first quarter because of weaknesses in real estate, ener-

loans to Mexico and Brazil could also deteriorate this year, the company says in its annual report. It added, however, that actual write-offs for commercial loans will describe a year earlier. Loan write-offs ware \$271.3m down from the rest of the ware \$271.3m down from the rest of the ware \$271.3m down from the rest of the rest

in the first quarter, but the increase The quality of its outstanding in non-performing loans would also on consumer loans.

offs were \$271.3m, down from The company declined to predict \$414.9m. About two thirds of last the level of non-performing assets year's write-offs were on loans to in the first quarter, but the increase commercial borrowers and a third

gy loans is to companies in oil and gas drilling businesses, the most vulnerable part

Most of the rest of its energy loans were to financially sound large energy companies, it said.

This announcement appears as a marter of record only.

FF 255,000,000



Sale and Leaseback of One Douglas DC10-30 Aircraft



PaineWebber

February 1986

All of these securities have been sold. This announcement appears as a matter of record only:

March 1986



2,220,345 Shares

Alex. Brown Incorporated

Common Stock

Alex. Brown & Sons

The First Boston Corporation

Bear, Stearns & Co. Inc. Donaldson, Lufkin & Jenrette Hambrecht & Quist

Sanford C. Bernstein & Co., Inc.

Drexel Burnham Lambert E. F. Hutton & Company Inc.

Lazard Frères & Co. Morgan Stanley & Co. L. F. Rothschild, Unterberg, Towhin, Inc.

Merrill Lynch Capital Markets Prudential-Bache

Smith Barney, Harris Upham & Co. Oppenheimer & Co., Inc. A. G. Edwards & Sons, Inc.

Salomon Brothers Inc Wertheim & Co., Inc.

Cazenove Inc.

Shearson Lehman Brothers Inc. Dean Witter Reynolds Inc.

Thomson McKinnon Securities Inc. Eberstadt Fleming Inc.

Robertson, Cohnan & Stephens

Kleinwort, Benson Brown Shipley & Co., Ltd.

Morgan Grenfell & Co. J. Henry Schroder Wagg & Co. Pictet International Ltd

Rothschild Inc

Dillon, Read & Co. Inc.

Goldman, Sachs & Co.

Kidder, Peabody & Co.

Montgomery Securities

INTERNATIONAL COMPANIES and FINANCE

Issuing houses put brake on new dollar offerings

ISSUING HOUSES took heed yesterday of the lacklustre state of the Eurodollar market—where recent, tightly-priced deals are moving very slowly and held back on new issues.

The dollar floating rate note market has been more stable than the fixed rate sector, so Marrill Lynch ventured to launch a \$100m first tranche of a \$150m first tranche of a \$200m floating rate note for the same building society.

The notes are for 10 years, and will pay interest at a per cent of a \$100m first tranche of a \$100m first tranche of a \$200m floating rate note for the same building society.

The notes are for 10 years, and will pay interest at a per cent over three month Libor form June, Until then, the rate is fixed at 12½ per cent, o feature designed to take advantage of the otrength of the Ecu Eurobond market and launched Ecu 75m \$2 per cent bonds due 1998. Issue price was t001 per cent. As initial demand for the offering was very strong lead.

DS

Thermedics, a US manufac-turer of medical equipment, announced a \$25m coovertible afall in sterling interest rates. announced a \$25m coovertible The rollover dates are timed to coincide with financial per cent. Fees are 2½ per cent, and the bonds will be callable for one year from next Name of the societies being allowed to constant the bonds will be callable. for one year from next November at 106 per cent if the ahare price has exceeded the conversion price by 30 per cent, and ar declining premiums thereafter. It is expected that when final terms are announced next week a conversion premium Goldman Sachs issued 250,000 each of warrants providing call (buying) and pnt (selling) options into the US Treasury 91

societies being allowed to use these markets in dne course. Bsring Brothers said these features had allowed fees to be pared to 18 basis points. The bonds were quoted well within commissions yesterday after-

Sanwa International launched a Y10bn, 6 per cent Eurobond for Swedlsh Export Credit. The issue matures in 1991 and the issue price is 1014 per cent. As thoseon Wednesday's issue for these terms are the same as

offering was very strong, leod-manager CIBC increased the

Issue size to Ecu 100m.

Although the Deutschmark
Eurobond morket was sluggish,
Amsterdam Rotterdam Bank
launched a DM 200m bond. The
eight-yeor issue pays interest at 5% per cent and the issue price is 99% per cent. Leod manager Deutsche Bank reported initial trading levels within the total fees of 2% per cent.

Deutsche Bank also launched a DM 150m flooting rate note for Montedison, the Italian chemical group. The seven-year notes pay interest at 1 per cent over six months Libor and arc priced at par. Total commissions are 50 basis points.

CFP-Total, the French state-con-trolled oll company, traders felt they looked generous.

There are no new issues in Switzerland, where the market closed mixed. Secondary market they looked generous.

Citicorp arranged an issue of warrania into shares of the closed mixed. Secondary market prices recovered selectively ater a weak start.

Alex Nicoll examines the prospects for an alternative source of borrowing

London hopes for sterling paper market

BANKERS in London are hop- the key monetary aggregate, in London are hop- the key monetary aggregate. The key monetary will open o oew market in oterling-denominated commercial paper in his Budget on Tuesday.

In this they may be being little over-optimistic. But tha Bank of England and the Trea-sury have held discreet talks over the past few months with banks which might be expected to act as arrangers and dealers in the new markel, and with corporate treasurers who might

borrow and invest on it.

The Bank of England is understood not to oppose a commercial paper market, provided proper standards of investor protection are set. The Treasury is expected to permit it, if not as early as next week, then within the next few months. The big question, therefore, will be whether commercial paper will represent a cheaper and more flexible source of funds than the other instruments already available to UK companies, notably the highly efficient bankers' acceptances market. If it is not, commercial

failure to stimulate a domestic corporate debt market. The cheapness or otherwise of the new instrument may de-pend on changes in the Bank of England's conduct of monetary policy. The new market, if successful, might also have other monetary implications, Mr Roger Bootle, chief economist

paper could be a damp squib and would mark yet another

stituted commercial paper for bank borrowing, and could be made irrelevant if the flexibility of the instrument caused a significant increase in corporate

borrowing.
Issues of commercial paper short-term, unsecured, tradable balanca sheets, notes—denominated in sterling Tha talks by are banned because the Banking Act would treat borrowers as

starting gun goes off. Amid the worldwide trend towards securitisation of debt and disintermediation of banks, they oee it as another way to earn fees and remoin prominent in lending, while keeping loans off their

Tha talks bave produced a lively debate about the desir-ability of commercial poper.

The Bank of England is not likely to oppose a commercial paper market with suitable investor protection and the Treasury is expected to permit it. But such a market could prove to be a damp squib and yet another failure to stimulate a domestic corporate debt sector.

unlicensed deposit-takers. This bar could easily be lifted, however, as the Chancellor did in last year's Budget to allow issues of between one and five years' maturity—an opportunity not a single borrower has selzed. Some \$270bn of commercial paper is outstanding in the US, accounting for 15 per cent of corporate short-term funding. Programmes totalling over \$15bn have been arranged in the Euro-commercial paper market, which is centred in

London. Though the discussions in Britoin bave been held in secret, British clearing and

Some merchant banks which thrive on the bread-and-butter business of accepting bills are understood to have felt that a rivol market would be unnecessary and unwelcome, removing liquidity from the highly efficient existing morket. There have been differences of views not only within individual banks, but also within the Bonk

of England.
It should not be assumed that the new market will take off. Bankers' acceptances account for 35 per cent of sterling lending to UK commercial and industrial componies, and are a particularly cheap source of finance because of the Bank of England's process of the Bank of the Ban monetary implications. Mr secret, British clearing and a particularly cheap source of NatWest expects commercial paper issues. It is Roger Bootle, chief economist merchant banks as well as finance because of the Bank of paper to be priced on a bench-whether atamp duty at Lloyds Merchant Bank, says foreign banks active in the England'a use of them in mark of London iterbank bid to commercial paper.

From 1981 until the policy be a competitive borrowing was scrapped last year, the Bri- source only if Libid does not tish Government Issued more gilt-edged stock than was necessary to meet its borrowing requirements, it bas also kapt Treasury bill issues low, and offsets shortages in the money markets by buying eligible accepted bills. As a result, a bill mountain grew from £2bn in 1981 to £14bn st the end of last year. Official activity in the occeptance market drove yields down below the best bank borrowing rates and made it an extremely cheap source of

funds for corporate borrowers. Figures compiled by County Bank, the mercbant banking srm of the National Westmin-ster Bank, show there bas been no preceptible narrowing in the yield spread between London interbank rates and the eligible bill rate since the Government stopped over-funding, though the picture is distorted by tur-bulence in the money markets

early this year.

NatWest argues in a recent commentary: "Before launching sterting commercial paper market, the monetary authorities must consider bow to intervene in the money markets without continuing to aubsidise borrowing costs in the accept-ance market." Direct lending to banks or expanded Tresury bill issuance would be alternatives, it says,

exceed the eligible b ill rate by more than about 0.06 percent-age points (six basis points). The relationship bas swung widaly on both sides of this level, particularly in recent months, though the average gap between tha two rates has been greater than six basis points.

If the effective subsidy were removed. bankers argue, arbitrage between the commerarotrage between the commer-cial paper and acceptance markets would quickly iron out discrepancies between them. Commercial paper would have the advantage, particularly for financial institutions seeking short-term finance, that it does not bave to be backed by trade transactions as do acceptances. It would almost certainly be cheaper than straight forward bank loans, and would be flexible in that paper could be issued for any maturity up to 365 daya,

It is likely that investors. who will include other com-panies with short-term surplus credit rating system to develop, as in the US. Issuers, though they will probably be required to have their shares listed on the Stock Exchange, are likely to have to publish and keep up-dated a sbort-form prospecius for commercial paper issues. It is not clear whether atamp duty will apply

Fund aims at US and Japanese bonds

trust fund, The Nagai Bond said.

per cent bond due in 2016—the so-called "long bond." These continue a series of such warrants that Goldman started

issuing last year. The issue price on both types is \$30, and

The five-year Nagai Bond dollar, Nikko said. Fund — the first money trust The size of the fund bas been ment bonds.

fund designed for individual limited to Y30bn with minimum Three types of money trust Investors—expects yields of 6.5 Investment set at Y10,000. The funds have been available to per cent, assuming the yen-contract can be cancelled after corporate investors since 1984.

Thange on Change on Change

trust fund. The Nagai Bond Fund will invest equally in Japanese and US government bonds.

The ratio of funds to be instruments to comply with lawested in foreign government bonds will be raised if the yen strengthens further against the allowing them to benefit from the law wild of US Covern.

FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market.

NIKKO SECURITIES is to dollar exchange rate averages a year from the date of start marketing from mid-start marketing from mid-Marcb, a new type of money second-largest securities firm Nikko Securities has decided to market the new financial

the bigh yield of US Govern-

Closing prices on March 13

OTHER STRAIOHTS

Barclaya Au, 123 80 AS

Creditanstalt 124, 90 AS

Creditanstalt 124, 90 AS

Creditanstalt 124, 90 AS

Fiel Finance 144, 28 AS

* Ne information available—provious day's price.
† Only one market maker superiod a price.
Straight Bonds: The yield is the yield le redemotion of
the mid-grice; the amount issued is in millions of
currency units axcept for Yen bonds where it is is
billions. Change on week = Change over price a week
earlier.

Restor Rete Nesses Connection of in dollars unless others

earlier.

Reating Rate Notes: Conominated in dollar unless otherwise indicated. Coupon shown is minimum. C.dte—
Osta neal coupon becomes e&culve. Scread = Marqia
above sk.chonth offered rate († three-month: § above
mean rate) for US dollars. C.con = The currant coupon.
Convertible Bonde: Conominated in dollar unless etherwise indicated, Che. day = Change en day. Cnv. data =
first date for convemion into aheres. Cnv. grice =
Neminal emount of bond per share expressed in
Curran-Parcentage premium of the currant effective
price of acquiring aheres vie the bond ever the most
recent price of the shares.

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FLOATING RATE

two interest rate options

Liffe launches

TWO NEW interest rate options were launched yester-day on the London International Financial Futures Exchange (Liffe).

Exchange (Liffe).

Mr George Nissen, chairman of the Glit-Edged Market Makers' Association, range the bell, first to begin trading in options on Liffe's US Treasury Bond futures contract, and then for aptions on its UK long gilt future contract.

Recent record volumes in both the futures contracts, amld the strength and beetic activity of all UK financial markets, appear auspicious for the new oplions. Trading in futures and options is also expected to increase as the Big Bond restructuring of UK markets takes place this year.

Of the 29 firms which plan to be primary dealers in the new gilts market, 28 are Liffe members. Most primary dealers in the US government securities market are also members of Liffe.
Liffe's volume growth and
an increase in the number of

"locals" — individuals who attempt to make their living in the pits—have pushed seat prices on the exchange is a record £85,000; up from £72,000 in January. The price of options membership has also been edging higher.

ready trades options en selec-ted gilts, and the Chicago oBard of Trade has actively traded options on its success-ful US T-Bond futures.

Japan to lift issue limit on foreign offshoots

By Yoko Shibata in Tokyo JAPAN'S Ministry of Finance is to remove the ceiling on bond issues by local companies' overseas subsidiaries to give them marc flexibility in raising funds.

At present overseas subsidi-

aries of Japanese corporations are not allowed to issue foreign bonds above the limit set on parent companies' debenture issues. The minis-try will not permit funds raised by overseas offshoots to flow back freely into Japan. A subsidiary of Idemitsu Kosan'a Bahama, the country's largest unlisted oil refiner, will shortly issue Swiss franc debentures for private place-ment on the Swiss market, that total four times the celling on its parent company. The issue will be lead managed by Union Bank of Switzerland with Tokai Bank, Sumitomo Bank the Bank of Tokyo and Sumitome Trust and Banking as a co-manager.

The decontrol is expected to encourage averseas subsidiaries of big unlisted com-panies with small capital such as Suntery, whisky distiller, and Yoshida Kogyo, the world's largest zipper maker, to float more bends.

\$200m paper for Tenneco

TENNECO, the US energy and engineering group, is to launch a \$200m Eurocomn cial programme later this month, writes Peter Montagnon, Euromarkets Corres-

Dealers will be Merrill Lynch, Capital Markets, Morgan Stanley and Shearson Lehman Brothers. Also tapping the market is

Honda Moler Company of Japan. It has appointed Morgan Guaranty and Shearson Lehman to act as dealers in a \$50m programme.

Tax cuts urged to revive Swiss market

BY WILLIAM DULLFORCE IN GENEVA

THE SWISS Federal Council regulotions and charges bave possibility. The change would interbank credits would bring (government) is considering changes in taxation that could lead to the opening of a money market and revive Eurobond business in Switzerland.

Hints that the Government might be prepared to act are contained in a report to the Federal parlioment, spelling out the consequences to the Treasury of proposals or relax-ing stamp duty and withbolding tax pnt forward by the Bankers' Association.

The upper bouse of parliament, after a first reading of the government report yester-day, voted in favour of a reduc-tion in duties and sent its motion on to the lower house. Swiss bankers claim that duties on deals in securities and other charges diminish Switzeriand's competitiveness as a financial centre and result in a loss of business to foreign.

recently been eased.
The report firmly backs the line taken by Mr Otto Stich, Finance Minister, that any loss of revenue to the Federal Tressury from changes in stamp duties must be replaced by other sources of income. The Treasury's receipts from stamp duty amounted to SFr 1.87bn (\$970m) last year. Within that framework, how-

ever the Government report envisages the possibility of reducing charges on money instruments with moturities of np to three months. It prefers the introduction of a pro-rata system for short-term paper up to 12 months, which it estimates would cost the Treasury between SFr 160m and SFr 180m a year, rather than the reduction to zero of the duty on paper of three months or less suggested by the bankers.

centres such as London, Frank- The Government is setting np The report acknowledges that through charges on fiducian furt and Amsterdam, where a working party to examine the removing withholding tax from business and time deposits.

open the way for the develop- only an insignificant loss in ment of the money market Treasury revenues but could which does not exist in have a positive effect on the Switzerland at present, but Swiss financial centre, which both the banks ond the National Bank would like to have available. So little Eurobond business

is conducted in Switzerland that the Federal Treasury receives only some SFr 20m in stamp duty from it. The report recognises that obandoning the duty could bring a substantial increase in income from direct taxes, if the Swiss banks could exploit the relief to bring back part of lbs market to Switzer-

It acknowledges as well that more direct tax revenue might be generated if by removing the sales tax on physical gold transactions more of that business could be attracted to the

important for the banks which are resorting increasingly to the interbank market, as compulsory savings schemes sap the growth in bank deposits.

This measure would be quite

The Government offers no prospect of a cut in stamp duty ties business done through Swiss Intermediaries, which currently provides the Treasury with between SFr 650m and SFr 900m a year,

The Bankers' Association has welcomed the Government's show of flexibility of the four other items but dismisses outright the report's suggestion that compensatory revenue for ounity. the Treasury might be raised The report acknowledges that through charges on fiduciary

appears as a matter of record only.

NEW ISSUE

13th March, 1986



AOKI CORPORATION

U.S. \$100,000,000 4½ per cent. Guaranteed Notes due 1991

Warrants

to subscribe for shares of common stock of AOKI CORPORATION The Notes will be unconditionally and irrevocably guaranteed by

The Kyowa Bank, Ltd.

Issue Price 100 per cent..

Nomura International Limited

IBJ International Limited

Banque Bruxelles Lambert S.A. Banque Nationale de Paris **County Bank Limited** Kleinwort, Benson Limited Kyowa Bank Nederland N.V. Mitsui Finance International Limited Okasan International (Europe) Limited **Swiss Bank Corporation International Limited** Union Bank of Switzerland (Securities) Limited

Algemene Bank Nederland N.V.

Bank of Tokyo International Limited Banque Indosuez Cosmo Securities (Europe) Limited Kidder, Peabody International Limited **KOKUSAI** Europe Limited Merrill Lynch Capital Markets **New Japan Securities Europe Limited** Sanwa International Limited Swiss Volksbank

Westdeutsche Landesbank Girozentrale

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500,000 Shares

Common Stock

L. F. ROTHSCHILD, UNTERBERG, TOWBIN, INC.

KEEFE, BRUYETTE & WOODS, INC.

M. A. SCHAPIRO & CO., INC.

ADVEST, INC.

GRUNTAL & CO., INCORPORATED

NEUBERGER & BERMAN

WILLIAMS SECURITIES GROUP, INC.

All of these securities having been sold, this announcement appears as a matter of record only.

\$100,000,000



Household Finance Corporation

8¼% Notes Due March 1, 1998

Shearson Lehman Brothers Inc.

PaineWebber

Smith Barney, Harris Upham & Co.

March, 1986

Fresh political moves to frustrate Bell's BHP bid

BY LACHLAN DRUMMOND IN SYDNEY AND EMILIA TAGAZA IN CANBERRA

BELL RESOURCES' partial takeover hid for Broken Hill Resources shareholders' meeting next Tuesday seeking approval for the placement of takeover offer. He welcomed takeover offer. He welcomed takeover offer. The long-promised approval for the placement of takeover offer. He welcomed takeover offer. He welcomed takeover offer. He welcomed takeover offer. He welco

hid.
Meanwhile, overnight huying
of Bell Resources in Londen
was expected to have completed
BHP's A\$150m (US\$105.6m)
push for a 20 per cent holding in
Mr Robert Holmes à Ceurt's
hid schiele. The stake would

cannet vote—as there were longer-term but unspecified plans for the stake.

The purchases have increased speculation that BHP may take the unpalatable step of making a takeover offer for Bell Resources as a means of review. allow the transfer of a monopoly

bid vehicle. The stake would allow it to upset elements of Bell's takeover planning fer BHP.

J. B. Were. BHP's stock-hroker, yesterday picked up almost 12m shares at A\$5.50 esch. The shares would give BHP the voting power to step a

Coles Myer tops expectations

By Our Sydney Correspondent

a A\$3.3m reduction in losses from its refrigerator and fitted kitchen offshots and an \$2.5m improvement from its other appliances and timber division.

Sales were down ASS.8m at AS104.9m as a result of asset

Nissan to cut

MISSAN MOTOR is te cut

salaries for its executives by 10 per cent from April 1, amid flat

per cent from April 1, amid flat unit car sales and a continued deterioration in export profitability caused by the rise of the yen, writes Yeko Shibats in Tekyo

This is the first such cut since the company was founded in 1933.

NOVO

salaries 10%

goods group.

COLES MYER, the large re- acceptance of the Coles take- operations also did well. But tail greup fermed from the over offer for Myer. Myer department store inmerger of Australia's higgest The result includes a 19 per terests performed below expectail greup fermed from the over offer for Myer.
merger of Australia's higgest The result includes a 19 per

merger of Australia's biggest supermarket chain and the country's largest department steres greup, achieved net trading earnings of A\$115m (US\$80.9m) in its first half-year as a combined eperation.

The aggregate profit is in excess of market expectations but the per share tetal of 24.87 cents is below these. Both reflect a market miscalculation of the mix of shares and cash

Wormald raises earnings Simpson back in the black by 20% at six months

SIMPSON HOLDINGS, the Australian white goods group at the centre of a two-way takeover WORMALD, Australia's leading he launched a hid for the comfire prevention and security pany, but this did not secure group, achieved a 20.3 per cent him control and his stake, rise in net prefits to A\$13.85m fellowing return ef acceptances, will revert to 35.4 per cent. struggle, has recovered from a A\$4.6m. (US\$3.2m) net loss to A\$1.3m profits for its December half-year; to December, a period which was marked by the entry of Malaysian and mainland Chinese interests as key shareholders in the cempany.

Mr Lee Ming Tee, a Malaysian Chinese entrepreneur a A\$1.7m drop in interest charges to A\$1.42m, as well as

now resident in Australia, was

In addition, the Chinese-controlled Hongkong Macao International Investment Company has an 8.6 per cent helding.

Sales were ahead 23.2 per cent at A\$485.84m, and the interim dividend is being mainyesterday invited to join the interim dividend is being ma Wermald board. Last November tained at 10 cents a share.

Competition hits Protea

Asiles.

Hoover Australia, a division of the US group, is bidding Asiles for Simpson, equal to Asiles as share and rivalling a previous Asiles per share effer and the state of the state o PROTEA ASSURANCE, the increased to R76.1m at the end South African subsidiary of the of 1985 from R62.8m at end-UK's Sun Alliance, suffered a 1984 and shareholders share of

The company merged with Phoenix Prudential Assurance at the start of 1985, which led te an increase in short-term premium income to R92.5m (\$46.6m) from R45.9m and which contributed almost half of the increase in the underwriting loss to R10.2m from R425,000.

againsl R4.3m, and Phoenix Prudential contributed R4.3m

sharp increase in its under-writing less in 1985. R117,000.

The directers are disappeinted with the underwriting result but say that the position should improve this year. Short-term insurers have been affected by continued strong competition fer market share, which has been reflected in finely set premiums, and significant increases in the frequency and cost ef

R125,000.
Investment inceme was R9.5m claims.
Investment inceme was R9.5m claims.

The dividend has been maintained unchanged at 18 cents a share even though per share earnings fell to 10.8 cents from

Century City in talks to acquire **Paliburg**

By David Dodwell in Hong Kong

century city holdings, an alling Hong Kong Property group controlled by Mr Lo Yuk Sui, is negotiating to acquire Paliburg Investments, a property development group reconstructed during the past two years by Mr Bill Wyllie, the Australian entrepreneur who is chairman of BSR, the British electronics group.

Share dealings in both groups were suspended on Hong Kong's stock exchanges yesterday, ahead of a full announcement which is unlikely until Monday. Paliburg shares were suspended at HK\$4.30 a share, which would give the group a market capitalisation of HK\$4.29m. Century City faced a wind-CENTURY CITY Holdings, an

Century City faced a wind-ing up petitien last year which led to a company reconstruction. Turnover has fallen to HK\$7.3m in the year ended June 1985, compared with HK\$109m in 1982. From pretax profits of HK\$22m in 1982, the company has since in-curred steady losses — more than HK\$164m in 1983, but a more controllable HK\$15.5m

last year. No dividend has been paid since 1982.
Over the past two years Mr Lo has had close links with Mr Wyllie, and is managing

director of Paliburg as well as chairman of Century City. Century City aircady has an undisclosed hut significant holding in Paliburg. At the same time, Paliburg helds an 11 per cent stake in Century City. After a reconstruction completed late last year, Paliburg has a 40 per cent con-trolling stake in the Regal Hotels group.

Barclays Kenya 19% ahead

By Mary Anne Fitzgerald in Nairobi

BARCLAYS BANK of Kenya has declared record pre-tax profits of £8.19m (\$5.6m) for profits of £8.19m (\$5.5m) for 1965, a rise of 13 per cent over the previous year. The performance precedes the public flotation of 5m shares in April, expected to fetch about £3.4m.

The landmark issue will be

the largest to appear on the Nairohl Slock Exchange in a decade. It will effectively pass . 20 per cent of the bank's equity to Kenyau ownership. The bank's capital base

rose by 20 per cent last year to £16.1m, while a comparatively modest dividend of about £1.2m has been recommended

The expansion of the bank's capital base anticipates the implementation of recent amendments to Kenya's bank-ing law which lifts the ratio of commercial banks' capital to deposits from 5 per cent to 7.5 per cent.

7.5 per cent.

The Kenyan subsidiary is the top-ranking commercial bank both in Kenya and East Africa. It has more than 60 branches which handle 30 per cent of the cemmercial bank savings account business in Kenya, the annual repert states. It is a leader in lending to agriculture

Flat year for Arab Bank

By Rami Khouri in Amms

THE Amman-based Arab Bank had a flat year in 1985, reflect-ing stagnant econemic conditions throughout the Arah world and fluctuating glebai exchange rates.

Net profit after taxes and

allocations for internal reserves was 25m Jerdanian dinars (\$68m) against JD 25.5m, and it paid a dividend of JD 3.5 per share. The JD 10 par value shares are trading on the Amman Stock Exchange at Ammail Stock Extraoge at around JD 137.

The bank's balance sheet total declined slightly frem JD 3.78bn te JD 3.68bn.

Shareholders' equity increased from \$473m to \$576m, with capital rising from \$64.5m to \$72.5m.

The bank suffered a sharp drop in income denominated in

The bank suffered a sharp drop in income denominated in foreign currencies, from \$31.5m te \$18.6m, largely due to the rise of the Jordanian dinar against the dellar and against the Lebanese pound. Mere than half the hank's deposits are in dollars and ether fereign currencies.

The werldwide Arah Bank group maintained its profitability by increasing its joan. ability by increasing its loan portfelie from JD 873m to JD 950m, most of which is outside Jordan. It also reduced

side Jordan. It also reduced expenses and provisions from \$155m to \$131.4m.

The bank is ene of the dozen largest privately owned banks in the Arab world.

Worldwide subsidiaries and associated companies increased the total balance chart from associated companies increased the total balance sheet from \$12.4bn to \$13.5bn, allhough total income dropped from \$220m to \$206m. Net profit before appropriations increased from \$65m to \$74.4m.

> LADBROKE INDEX 1,345-1,349 (-1) Based on FT Index

DAIWA EUROPE LIMITED JAPANESE EQUITY WARRANTS SERVICE

| In Answer
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Tel: 01-427 4411

The Novo Group

Financial Results 1985

	1981	1982	1983	1984	1985
Net turnover, DKK million	2,193	2,681	3,360	3,766	4,118
Income after tax, DKK million (exclusive of extraordinary income)	341	475	704	685	604
Total assets, DKK million	3,089	3,759	5,726	6,971	7,320
Shareholders' funds, DKK million	1,786	2,223	3,810	4,437	4,888
Average number of shares outstanding. (DKK 20 nominal value)	20,864,050	22,701,905	24,515,770	25,314,600	25,404,744
Earnings per share (DKK 20 nominal value), DKK	16.36	20.94	28.70	27.08	23.79
Rate of dividend (1985 proposed)	15%	1796	20%	20%	20%
Capital expenditure, DKK million	303	495	563	632	684
Number of employees	3,705	3,987	4,200	4,570	4,828

The Financial Statement 1985 can be obtained in full from: Novo Industri A/S, Corporale Communications Novo Allé 2880 Bagsvaerd, Denmark Telephone: 2-982333/3450 or Streets Financial Limited 18 Red Lion Court London EC4A 3HT Telephone: 1-3531090

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The Annual Report will be forwarded to registered shareholders in the beginning of April, 1986, and can be obtained from Novo Industri A/S or Streets Financial Limited, as from April 7th, 1986.

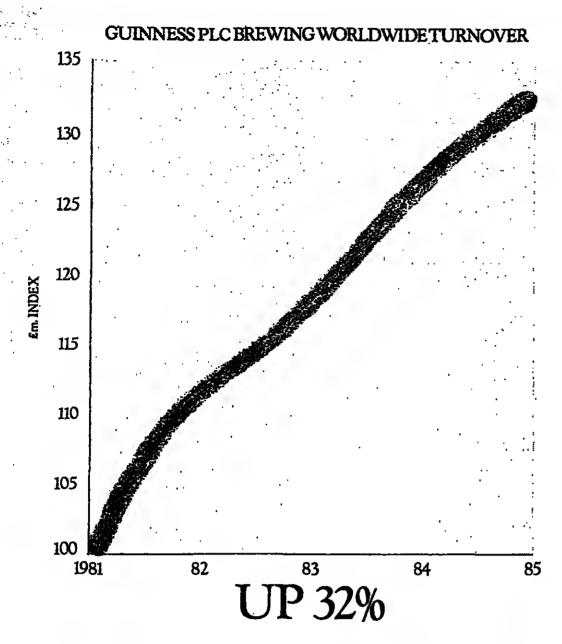
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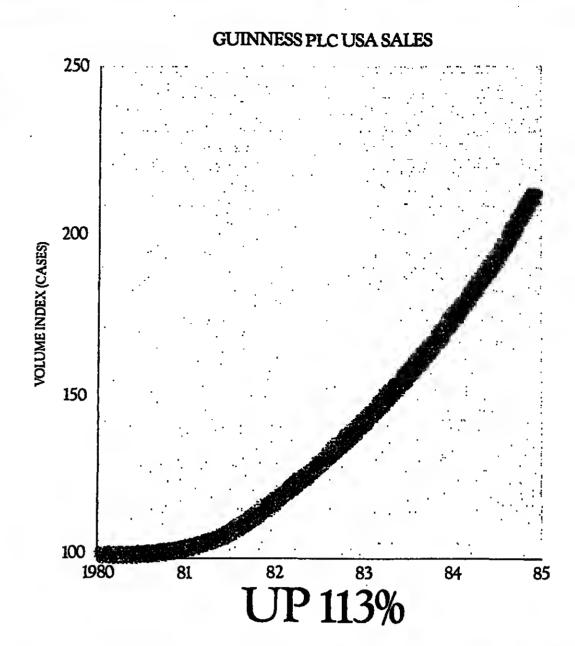
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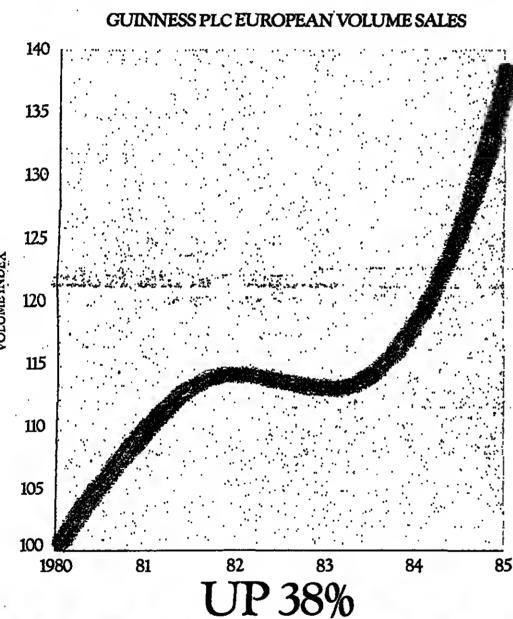
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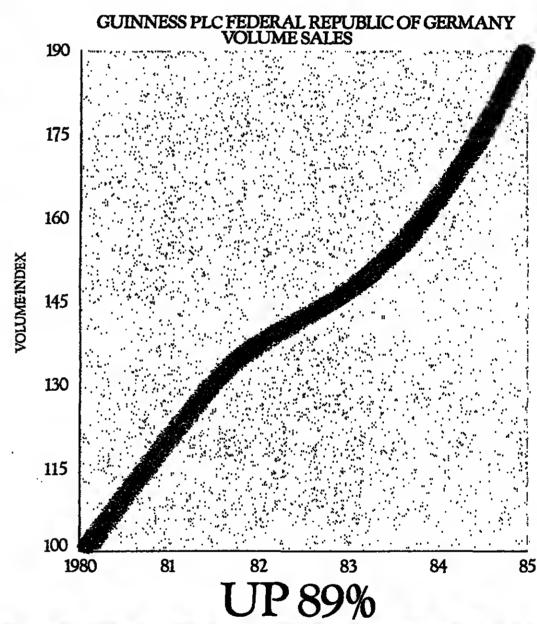
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MY GODNESS!

In the last four years Guinness has been transformed both in the UK and internationally.

We sell nearly 40 per cent of all the beer exported from the UK to overseas markets.

We have successfully launched new products both at home and abroad.

Alongside our core drinks business we have expanded in retailing and health care, both growth sectors linked by strong brand names with good consumer franchises.

All this has resulted in our Company growing in value from £90 million to over £900 million in the past four years.

During that period our shareholders have reaped the benefit.

Our earnings per share have increased by 169 per cent and our share price has shown an almost six-fold increase.

Proof indeed that Guinness should be good for Distillers.

GUINNESS PLC

Guinness and Distillers. More than just a merger.

This advertisement is published by Morgan Grenfell & Co Limited and The British Linen Bank Limited on behalf of Guinness PLC are the persons responsible for the information contained in this advertisement. To the best of their knowledge and belief (having taken all reasonable care to ensure the advertisement is in accordance with the facts. The Directors of Guinness PLC accept responsibility accordingly. SOURCE: Guinness Accounts. Guinness Market Variance Statements. Guinness Accounts H. M. Customs and Excisional Accounts and Ex

R.Dutch/Shell net income falls 17%

Royal Dutch/ Shell

NET INCOME

THE Royal Dutch/Shell Group of companies yesterday reported a 17 per cent reduction in net income to £3.03bn for 1985. following the record £3.65bn for 1984. Final quarter figures showed £863m, against £910m. However, a large part of the fall hetween the two years

reflected currency movements.
On a current cost accounting basis and allowing for the currency movements the underlying performance in 1985 looks at least as good as in the

previous year.
Mr Peter Holmes, chairman of Shell Transport yesterday described the results as "an

described the results as "an impressive performance" taking account of the difficult circumstances of 1985.

Current cost after tax earnings in 1984 were £3.13hn, some £230m lower than in the previous year.

Shell Transport and Trading is proposing a final dividend of £250 representing an increase

Is proposing a final dividend of 22.5p representing an increase of 6.6 per cent compared with the final dividend for 1984. For the year as a whole the recommended dividend of 35p per ordinary share is fi.1 per cent higher than a year ago. Earnings per ordinary share fell by

higher than a year ago. Earnings per ordinary share fell by 20 per cent from 127.5p to 101.5p.

The year's after-tax profit was after currency losses of £396m mainly reflecting the weakening of the dollar. In comparison with 1984, when the group enjoyed a £91m currency gain, the adverse swing was £487m.

The falling oil price has also led to a £100m write down in the value of inventories at the year end. This follows the pattern of other large oil companies, most of which have announced writedowns for last year.

For the fourth quarter of last year the Royal Dutch/Shell with 1984, when the group enjoyed a fight currency gain, the adverse swing was £487m. The group bas made a special deduction of £350m for the year to reflect restructuring costs, including the closing of its year as a whole, total salea and chemicals contributed to the decline for the year, and chemicals contributed to the decline for the year, and chemicals contributed to the decline for the year, and chemicals contributed to the decline for the year, and chemicals contributed to the decline for the year, and chemicals contributed to the decline for the year, and chemicals contributed to the decline for the year, and chemicals contributed to the decline for the year, and chemicals contributed to the decline for the year, and chemicals contributed to the decline for the year, and chemicals contributed to the decline for the year, and chemicals contributed to the decline for the year, and chemicals contributed to the decline for the year, and chemicals contributed to the decline for the year.



Mr Peter Holmes, chairman

were down by less than 1 per operations in Curacao, the planned closure of its refinery in Pauillac. France, further reductions in te marine fieet and rationalisations in chemicals coal and metals operations.

The falling oil price has also led to a £100m write down in the last year. It showed a 7 per cent fall in its net income indollars for the year as a whole describe an improvement of 12 operations in Curacao, the

and the settlement of disputes over natural gas contracts. The group generated funds of £8.52bn for the year, little changed from the figure in 1984.

Its working capital declined by £1.02bn reflecting the reduction in invetories and re-organisation of operations in Japan. Capital spending and the cost

of exploration for the year was 56.74bn, 20 per cent higher than the figure for 1984. But this rise mainly reflected the \$800 payment towards a 50 per cent share in Occidental's Colombian

The group paid off £731m of debt in the year excluding its operations in Japan, reducing its long-term debt ratio to 18 per cent compared with 21 per cent at the end of 1984.

rent at the end of 1984.

Pre-tax earnings from exploration and production rose 4 per cent for the year compared with the 1984 level to almost exactly £3bn. For the group excluding North American subsidiaries the figure was £1.9bn, while the US Shell Oil and Shell Canada's combined application and production exploration and production earnings were £1.09hn.

Earnings from chemicals outside North America declined by 32 per cent to £143m despite a

record volume of asles.
Royal Dutch Petroleum ia
paying a final dividend of FI 8.3 on its ordinary shares with a total dividend of FI 12.8 for the year as a whole compared with Fi 10.6 in 1984. The Royal Dutch share of group income fell from £2.24hn in 1984 to £1.92hn.

BBA's organic growth sees profits soar

per cent in the year to the end of December 1985.

of December 1985.

The company says that the sales increase was generated by acquisitions, but the improved profit was mainly from original companies. During the period BBA made a number of purchases including Synterials. Uniroyal's rubber helting business in North America, the automotive interests of Cape Industries and the woven belting business of Dunlop.

Turnover rose from £176.11m income and share of related companies adding a further £3.62m (£2.65m). Pre-tax figure £3.62m (£2.65m). Pre-tax figure £3.62m (£2.65m). Pre-tax figure £3.62m (£3.62m).

Mr Charles Fenton, chairman, says the profit improvement was spread over both automotive and industrial activities. The automotive side was helped by the closure of loss-making operations in the UK and South Africa while the Industrial section benefited from improvements in the UK and US textile

2p (1.74p).
Trading profit was £13.48m
(£6.4m) with other operating income and share of related companies adding a further £3.62m (£2.65m). Pre-tax figure was struck after net interest

vanced by 34.3 per cent with overseas companies seeing 28.2 per cent growth. Exports, re-presenting more than 28 per cent of UK sales, improved by

despite an improvement of 12

per cent in the final quarter compared with 1984.

The company says that lower

prices for crude oil, natural gas and chemicals contributed to

38 per cent. Sbareholders' funds increased substantially as a result of the 18m rights issue in March, the shares issue to buy Synterials and the 1985 retained profits. Gearing fell from 60.8 per cent to 48.9 per cent, the 1984 figure having been restated

and the woven belting business of Dunlop.

Turnover rose from £176.11m section benefited from improve-ments in the UK and US textile section benefited from improve-ments in the UK and US textile ments in the UK and US textile to £229.51m, with pre-tax profits and a contribution from the Uniroyal acquisition.

The operating profits would something that the company has potential.

The operating profits would something that the company has potential.

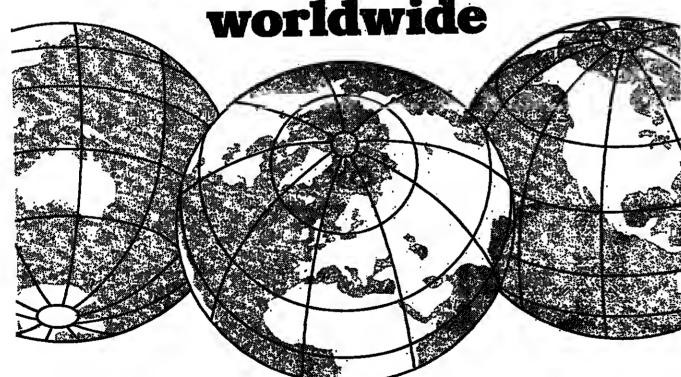
BBA Group, the West ings per share of 8.27p (0.88p) have been higher by more than four-fold since the beginning of furble the directors are recommending a final payment of 1.16p (0.9p). Sales by UK companies adment of Dr John White has vanced by 34.3 per cent with overseas companies seeing 28.2 Trading profit was £13.48m

Trading profit was £13.48m

Trading profit was £13.48m

(56.4m) with other approximation of the payment o Uniroyal and Synterials, However, it is the future benefits from the acquisition of Automotive Products, BBA's most ambitious move yet, that explains the latest enthusiastic surge in the shares, up from a pre-acquisition share price of 165p to 225p yesterday. There is great industrial appeal to the deal, which introduces BBA to new markets, new products and

Sedgwick the right skills worldwide



Year ended 31 December	. 1985	1984
Revenue	£581.5m	£456.0m
Profit before taxation	£124.3m	£96.3m
Earnings	£79.0m	£69.1m
Earnings per ordinary share	21.7p	19.1p
Dividend per ordinary share	11.0p	10.0p

The information above includes the results of the Fred. S. James Group for The information above includes the results of the Fred. S. James Group for both years on a merged basis. The information is extracted from the full financial statements for the years ended 31 December 1984, as restated, and 1985. The full financial statements for the year ended 31 December 1984 have been filed with the Registrar of Companies and the report thereon was unqualified. The full financial statements for the year ended 31 December 1985 have not yet been reported upon by the auditors and have not yet been filed with the Registrar of Companies.



Sedgwick Group

Wordplex shares fall 33p on £3m loss By Charles Batchelor

THE stock market wiped more than one-third off the value of Wordplex, the office automating woruplex, the omce automatum systems group, after it revealed an expected pre-tax loss of £3m in 1985 a 1 the resignation of Mr Harry Mallinson, its chief executive.

Wordplex's shares fell 33p to Wordplex's shares fell 33p to 55p yesterday to reduct; its market capitalisation from £9.4m to £5.9m. The company obtained a full stock exchange listing in April 1984 at a striking price of 285p.

Mr John Heywood, chairman, announced that trading conditions had been much more difficult than was foreseen at the time of the interim announcement last Septemher.

Wordplex did not make a profit in the second half of 1985 and it expects to report a pre-

and it expects to report a pre-tax loss of about £3m with an additional extraordinary charge of about £1m to meet the cost of last year's transfer of manufac-turing and assembly operations from California to the UK.

In the past 48 hours the Wordplex hoard bas begun a review of operations and a revised operating plan is heing drawn up. Mr Mallinson, a joint founder

of the company about 10 years ago, has agreed to step down as chief executive and director. compensation payment is being discussed.

Wordplex was hit by currency movements, the costs of an ambitious plan to convert foreign distributors into subsidiaries and the slower-thanexpected introduction of its 8000 System, an office autom; tion network, alongside its existing stand-alone word-processors.

Wordplex employs 900 people. balf in the UK.

Managers offer £22m to buy Raybeck

By Martin Dickson novel PROPOSALS for a £21.6m management huy-out were announced yesterday at Raybeck, the quoted fashion clothing manufacturer and retailer. The offer is the fourth man-

agement buy-out attempted at a quoted UK company but the first to he lannched by managers of group subsidiaries rather than memhers of the main

Devine, managing director of Raybeck's principal subsidiary. Berkertex, a manufacturer and retailer of bridal and fashion financial controller of Raybeck. Mr Devine will become managing director, while the non-exe-cutive chairman will be Mr Trevor Morgan, an ex-chairman of Timpson, the retailing group. of Timpson, the retating group.
The huy-out is backed by a group of institutional investors including Candover Investments, Globe Investment Trust. Electra Investment Trust. Securities Trust of Scotland and Scottish Eastern Investment

The terms are 447p in cash for every 10 ordinary shares and 115p for each preference share Warrant holders will be offered 30p for each warrant. Rayheck shares closed up 1p at 45p.

Coloroll cash plan for Staffs

By David Goodhart Coloroll, a designer and manufacturer of home fashion goods, yesterday said it would invest hetween £2m and £3m in Staffordshire Potteries to relieve its debt hurden and provide finance for growth.

The promise came in Coloroll's offer document for the company, along with a stinging critique of Staffordahire Potterles recent performance. Coloroll had hoped to reach an agreed merger with Staffordshire but the deal broke down amidt acrimonious comments

—just prior to completion. Mr John Asheroft, chalrman Mr John Ashcrott, chairman of fast-growing Coloroll, said that the company was developing packages of homa fashion products for retailers—including furnishings, tiles, ceramics and carpets—into which Staffordshire's products would fit

He also pointed out that He also pointed out that Coloroll derives almost half its earnings from North America and the major UK ceramics manufacturers derive on average 40 per cent, but Staffordshire Potteriea makes only 8 per cent from the US.

Jaguar improves by £30m and gains sales worldwide In order to meet the continu- £100.3m at end-1984 to £156.2m

Jaguar, the Coventry-based luxury car group, moved up a gear in the second six months and for the full 1985 year saw its profits surge by £29.8m to £121.3m pre-tax.

The 33 per cent growth in The 33 per cent growth in Croup turnover for 1985 im
In order to meet the continuing fillows at end-1984 to £150.2m at end-1984

The 33 per cent growth in The 33 per cent grown in profits was achieved through increased production and sales. continued improvements in manufacturing efficiency and favourable exchange rates favourable exchange rates secured on US dollar income as a result of the group's cur-rency hedging programme.

Worldwide sales increased hy 15 per cent to 37,952 (32,956) units. Record sales were achieved in continental Europe (up 38 per cent) with substantial increases in Germany, Austria, France and

Canadian sales increased hy 27 per cent and in the US, the group's biggest market, sales rose by 10 per cent to 20,130 units.

lieu of a final.

The steady growth in the UK over the past few years continued with sales of over 8.000 units heing the blghest aince

Group turnover for 1985 imfrom £634.1m to Tax accounted for £33.7m (£34.4m) to leave net profits £30.5m ahead at

The results for the past year were well below the £125m-£130m the City had been expecting, hut nonetheless, the group's shares closed yesterday 13n bishar at \$680 after \$700. 13p higher at 468p, after 470p.
The directors say the balance
sheet remains extremely strong.

with a positive inflow of cash during 1985 boosting cash and short-term investments from

BI a

Mr John Egan, the group's chairman and chief executive said yesterday that the launch of the XJ40 would he either this year or next.

Earnings emerged at 48.5; (31.7p) per 25p share and a final dividend of 5.6p makes a net total of 8.6p. The group, formerly a aubsidlary of BL, was sold back to the private sector in 1984. It paid a first interim of 4.75p for 1984 in lieu of a final.

He warned, however, that in He warned, however, that in He warned, however, that in launch year stderable fixed costs as well as the costs of the pre-launch build up of stocks. Launch year would be a "fiat year," he said, but the year after "we should continue to grow in earnings and sales volumes." He warned, however, that in launch year there would be considerable fixed costs as well as

and sales volumes."

Commenting on reports suggesting that General Motors, through nominees, had built up a 15 per cent holding in Jaguar Mr Egan said he could say with "absolute certainty" that there was no evidence of such a stake. Around 40 per cent of Jaguar's shares are held in American Depository Receipts by some 6,000 investors.

Rowntree's strong second half

A STRONG second half at Rowntree Mackintosh, confec-tionery manufacturer, has belped it overcome the profit dip suffered at midway, and the company finished the 1983 year with taxable profits of £79.3m, a rise of £4.8m over the compar-

able period.

The result for the period to December 28 was ahead of analysts forecasts of about £75m, and the company's shares were marked un 11p on the day to close at 456p.

Mr Kenneth Dixon, the chairman, said that the company made significant progress in its two most important markets: in the UK, where trading profit showed a growth of 16 per cent to £45.3m; and in N America, where all group companies increased their profits for an overall rise of 18 per cent to £37.2m.

The dividend for the year is lifted from 11p to 12.2p with a final of 8.2p per share (7.4p). Earnings per share were maintained at 36p, after a higher tax charge £18.6m (£16.5m).

Turnover rose from £1.16hn to £1.21bn, and nroduced trading profits of £101.3m against £93.8m. Interest costs were up from £19.3m to £22m. If the company bad used 1984 average exchange rates taxable profits would have been £2.8m higher. Mr Dixon said: "We are continuing to search for appro-priate acquisitions, with North America still the priority area." He added that opportunities in parts of the work

still be investigated. He said that the halance the group and the quality of its management leaves it well placed to satisfy its ambition of achieving profitable growth. Reviewing the year's trading,

Victoria Wine in £24m deal with Stakis

By Lisa Wood

The Victoria Wine Company, Allied Lyons specialist off-licence chain, is to pay £23.5m cash for 14fi outlets in Scotland and the north of England, owned by Stakis, the hotel and casino

Allied sald the addition of the shops, trading under the name of Haddows, would increase the turnover of Victoria Wine hy £60m to about £380m at current annual rates and arrengthen its position in these regions.

Over the past few years, Victoria Wine has made efforts to improve its profitability by changing is image and introducing modern management tech-niques into a business which has suffered from the onslaught of supermarkets competition.

The off-licence chain is one of Britain's two biggest—the other helongs to Bass, Britain's blggest hrewer—and has now biggest mewer—and has now completed the introduction of electronic point of sale equipment, which will be installed in the new acquisition. Sir Derrick Holden-Brown

chairman of Allied Lyona sald: "This purchase fits well with "This purchase fits well with our existing operationa and re-affirms our commitment to remain the leader in the im-portant multiple wine and apirit specialist retail market. Great benefits accrue to other companies within our integrated group from our involvement in that market."

DIVIDENDS ANNOUNCED Date Corre- Total Total

1		Current	of s	ponding	for	last
		payment	payment	div.	year	year
1	Appleyard Group	3.5	May 16	3	5 2	3_
1	BBA Group	1.16†	July 7		2	1.74
1	Bridport-Gundryin	1.65	_	1.45	_	5
1	Cattle'a		May 9	0.9	1.8	1.5
	Wm Collins		May 22	4.5*	7.75*	6.5
	Hawtal Whitingt			1.5	7	1.5
	Leisuretime Intl	•	_	1.1	2.3	2.1
			May 15	4.75	8.6	4.75
ı	New Darien			0.33	0.63	0.33
			_	7.4	12.2	11
	Rowntree		_	6.75	12.8	10.6
	Reyal Dutch	. 8.31		7		
	Sedgwickt	. 7.75	May 2		11	10
1	Shell Transbort	. 22.5	May 22			33
	Tod+ in	t 1.3	May 6	1.1		2.75
	Tune Tees TV+	10.137		7.5	13.13	
	Dividends shown in nea	ce per sh	are except	wnere o	therwis	e stale
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	incressed by rights of	and/or a	eauisillon	18811es.	1 U2M	L Sloc
	§ Uoquoted stock. ¶ Flo	orins thro	ughout	For 15	months.	
1	, Justine Brocks. W. F.		-			

Rowntree Mackintosh

the chairman said that the UK confectionery division, though, experiencing some decline in volume and market-share, again increased its trading profit by substantially more than the rate of inflation. Kit Kat achieved

1981 82 83 84 85 66

a 6 per cent increase in sales

volume and a substantially bet-ter financial performance in terms of trading profit, cash flow and returns on turnover and net assets. Sooner Foods achieved 8 per cent growth in sales volume. All companies which were in the North American region for

the full year had record profits in spite of difficult trading conditions and a very competitive environment. Royalties received from Hersbey Foods were at a

record level.

Profits at Tom's Foods increased and were in line with expectations despite severe competition particularly in crisps.

Since the acquisition last year of The Original Cookie Company of the Acquisition last year of the Original Cookie Company of the Original Cooki pany profits have been in line with predictions. It has 165 stores with between 30 and 40 more planned for the US and Canada this year. Both Rowntree Machintach Canada and tree Mackintosh Canada and Laura Secord, with its specialist chocolate retail shops, turned

in higher profits. mixed fortunes. In Europe pro-fits fell from £4.7m to £3.4m. substantially more than the rate of inflation. Kit Kat achieved record sales. Recent introductions of Eclipse and Novo "will continue to keep the division in the forefront of the UK confectionery market."

The grocery and snack food companies both performed well.

Rowntree Mackintosh Sun-Patinad another successful year with 1866.

The grocery and snack food companies both performed well.

Rowntree Mackintosh Sun-Patinad another successful year with 1866.

See Lex

See Lex

NOTICE OF REDEMPTION

BARCLAYS BANK PLC

91/4% Capital Bonds 1987

NOTICE IS HEREBY GIVEN that in satisfaction of the obligations imposed by Condition 5(a) of the Terms and Conditions applicable in the Bonds, the Bonds bearing the serial numbers listed below have been drawn in manner approved by the Trustee for redemption on 15th April 1986 at

ı	5		12	15	16	18	19	80	61	82	61	84
ı	85	86	6.	68	207	209	211	212	277	228	233	233
l	235	737	238	219	271	272	27.4	277	275	381	282	284
l	294	347	346	349	351	354	356	359	361	366	367	366
Į	369	372	3%	194	395	196	397	398	399	401	402	403
l		405	406	407	409	410	412	414	416	419	430	421
l	404		40a	412	435	410	450	451	953	454	466	167
ı	429	4 10	521	522	524	525	526	527	528	547	1230	1231
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l	1500	150	1506	1509	1510	1511	1512	1511	1515	1516	1519	1520
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l	1683	1644	LNIS	[Parti	1688	1690	1691	1692	1491	1494	1095	1694
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١	1776	1777	1152	1755	1785	1786	1287	3786	1789	3791	1792	179
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1	1934	1415	1476	1939	1340	1942	1941	1446	1947	1948	1949	195
į	1942	1019	1454	1954	1960	1962	1001	1~66	1468	1909	3472	197
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į	2053	2053	2054	2055	2056	2057	2059	2040	2061	2004	2066	207
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	3242	2254		2365	2200	2367	2768	2272	2273	2274	2277	227
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j			2312	2334	2315	2136	23 %	2339	2341	2342	2143	234
	2715	2746	2347	2348	2350	2153	2353	2155	2358	2359	2760	236
ı	2343	2301	2164	2365	2366	2367	2309	2331	2112	2373	2374	237
	2376	2177	2570	2344	3373	2385	2,587	7340	7391	2392	2395	239
	.346	2178	2199	2410	2401	2403	2494	2405	2106	7407	2408	241
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	2428	2429	2411	2411	2415	2455	2419	3140	2442	2444	3446	244
	2448	2449	5 120	2452	2453	2454	2157	2458	2460	2461	2462	242
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Bonds not listed above are not affected by this redemption. Bonds drawn for redemption will become due and payable on 15th April

Payment of the Bonds drawn will be made upon presentation and surrender of such Bonds with Coupon No. 11 at the office of one of the Paying Agents or at the holders' option at Barclays Bank PLC, Stock Exchan-Department, 54 Lombard Street, London EC3, Coupon No. 10 (due 15th April 1986) should be detached and encashed in the usual manner. Interest on the Bonds drawn will cease on and after 15th April 1986.

BARCLAYS BANK PLC

UK COMPANY NEWS

BT at £1.3bn despite slowdown in call income

British Telecom's pre-tax profits rose £62m to £448m in the third quarter ending Decem-ber 1985, bringing the total for the first nine months of its financial year to £1.33bn.

The main reason for the im-The main reason for the improvement in profits during the quarter was an 11 per cent increase in rental income which made up for a disappointing growth in telephone calls. Rental rose because of an increase in the number of telephones, together with a price rise.

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rise.

There was a significant fall in the growth of both international and inland calls which has led BT to lower its expectahas fed B1 to lower its expecta-tions for turnover in the second half of the year. International calls grew by only 10 per cent in the third quarter compared with the 14 per cent rate achieved in the last financial year. The increase for the first nine months of this year was 12 per cent. BT asid the main reason was fewer calls being made to Britain from oil producing states, particularly the Middle East.

BT Share price

86

quarter with the net loss of 2,000 employees. At the end of last year BT employed 232,000, about 3,000 less than in March. Total reduction in staff is expected to be 4,500 by the end of the financial year, slightly less than the annual reduction of just over 5,000 which had been made in the three previous years. Middle East.

In spite of a 3.7 per cent increase in telephone lines the volume of inland calls only grew about 6 per cent; the quarter. This compares with the 8 per cent growth achieved in the last full financial year and 7 per cent for the first nine months this year. BT believes the fall was because the third quarter ending December 1984 coincided with the flotation for which there was enormous publicity and advertising which boosted calling.

Middle East.

Total reduction in staff is expected to be 4,500 by the end of the financial year, slightly less than tha annual reduction of just over 5,000 which had been made in the three previous the fall was because the third quarter ending December 1984 coincided with the flotation for which there was enormous publicity and advertising which boosted calling.

Margins were belped by a sharp increase in the number of job losses made during the

part of the group during the nine-month period profits would have been £23m lower.

the quarter rose to £505m and the company predicted it would be close to the planned target of spending £2bn during the full year.

Interest charges were £119m lower in the nine-mooth period, of which £51m was a result of the change in capital structure. comment

BT has lost some of its lustre—which yesterday's rather sombre presentation of the third quarter figures for analysis did little to restore. While it is bard to argue that the star of the privatient in the star of the star the star of the privatisation drive may be going cx-growth, forecasts are being shaved, both for this year and next. In specific terms these figures indicate some slowing down in the number of telephone calls, only partially offset by an increase in rental receipts. But this is hardly the stuff of great dramas. The news that the dramas. The news that the sequisite permissions for the

the future, the chairman points down 17p.

Earnings per 10p share are shown as 21.7p, up from 19.1p, while the dividend is atepped up to 11p (10p) with a final payment of 7.75p.

Mr C. H. Mosselmans, chair-

man, says that results are satisfactory in a year which has marked a major extension of the group's activities through the merger with the Fred S.

Merger."
An analysis of taxable profits, by location, sbows: UK f61.09m (£49.94m); Europe £4.52m (£3.51m); Africa £1.85m

merger."

ine-month period profits would rinal quarter pre-tax profits out, but has meant that "there are been £23m lower.

Capital expeoditure during national insurance and reinsur- 1985."

Final quarter boost

takes Sedgwick

profits to £124m

ance broker, almost trebled from £6.58m to £18.91m and lifted the full 1985 figure to £124.31m, compared with £96.28m for the previous year. Mr Mosselmans adds that in the US. however, James beoe-fited directly from hardeoiog rates and was able to put on substantial oew business at the Revenue in the last three months expanded to £166.43m, against £104.43m taking the total ot £581.53m (£456.03m).

bigher ratea.

Another factor during the year was the cootinued contraction of merchant shipping

Tax charge was up from £26.51m to £45.14m while minorety interests took £215.000 ity interests took £215,000 (£674,000). Sedgwick has now success-

fully completed the divestment of its remaining Lloyd's managing agency interests and the sales during the year gave rise to an extraordinary credit of £7.1m (£650,000) taking the profit to £86.07m (£69.74m).

comment

James group of the US. He adds that a significant aspect of 1985's outcome was the "excellent performance from James, confirming the company's expectations at the time of the Having been too optimistic at the interim stage. City analysis fell into the same trap for the full year, with most forecasts about £5m too high, and anticipating more than the perfunc-tory increase in the dividend. Some of the shortfall was due to associates which were bit both by exchange rates and hy the growth reversal in the Middle East. Working out exactly what happened to Sedge-wick's operating profits during the fourth quarter is made more difficult than usual by the change in accounting to using and reinsurance broking £118.65m (£88.56m); Lloyd's and company underwriting agencies £5.47m (£3.18m) and insurance companies £202,000 (£4.54m).

Mr Mosselmaos says that as expected, although rates in many sectors have hardened, especially in the US, the effects of this have been uneven. Continental Europe has lagged behind the US, he states, with rates only slowly beginning to using average exchange rates. However, it is clear that much of the overall advance cama from Fred S. James, proving wroog those who said that Sedgewick had paid too much for it. James should have another excellent year in 1986, although the rest of the broking husinesses may suffer rfom capacity shortage, and revenues will have to work hard to keep ahead of costs. Trates only slowly beginning to using average exchange rates. However, it is clear that much of those who said that Sedgewick had paid too much for it. James should have another excellent year in 1986, although the rest of the broking husinesses may be a first of the province of the provi

EXCELLENT PROGRESS

1984 1985 £229.5m £176.1m +30% £13.1m £5.4m +140%

 Growth derived from more profitable existing business and from strategic acquisitions

8.27p

- Full benefits of recent acquisitions to be felt in 1986
- Group poised for excellent progress in 1986



Sales

Profit before tax

Earnings per share

The Yorkshire based friction material. conveyor belting and industrial textile Group

0.88p +840%

Report and accounts available from:

The Secretary PO Box 20 Cleckheaton West Yorkshire BD196HP

Williams sells McKechnie stake BY DAVID GOODHART

Williams Heldings, the fastgrowing industrial holding company, announced gesterday that
it has sold its 6 per cent holding
in McKechnie Brothers. The
stake was placed by Baring
Brothers, McKechnie's merchant
bank with a number of inst.

McKechnle's own bid for Newman Tonks. Williams had said
that if the shareholders supported that bid, they would
withdraw.

The Williams stake was
bought at an average price close
hank with a number of inst.

140p and sold yesterday at

Brothers, McKechnie's merchant bank, with a number of institutional investors.

It had ben built up since July lat profit of about £2m.

It had ben built up since July lat profit of about £2m.

Dr Jim Butler, chairman of McKechnie, was delighted that the holding had been placed. There had been placed. There had been some speculation that it might be handed on slender margin to support to another predator.

SEK

AB Svensk Exportkredit (Swedish Export Credit Corporation)

U\$\$125,000,000 Floating Rate Notes Due March 1992

For the six months 13th March, 1986 to 15th September, 1986 the Notes will carry an interest rate of 10% per annum with a coupon amount of US\$516.67 per US\$10,000 Note, payable on 15th September, 1986.

Bankers Trust Company, London

REED INTERNATIONAL P.L.C. U.S.\$40,000,000 9 per cent. Bonds 1987

NOTICE OF EARLY REDEMPTION On behalf of the Issuer (formerly named Reed International Limited), S. G. Warburg & Co. Ltd. hereby gives notice to holders of the above-mentioned Bonds of the Issuer's election to redeem all outstanding Bonds on 15th May, 1986 at par, in accordance with Condition 3(c) of the Bonds. Consequently on 15th May, 1986 there will become due and payable upon he outstanding Bond the principal amount thereof, together with accrued rest to said date, at the office of:-

S.G. WARBURG & CO. LTD. 33 King William Street, London EC4R 9AS

or at the office of one of the other paying agents named on the Bonds.
Interest will cease to accrue on all outstanding Bonds on 15th May, 1986. The
Bonds should be presented for payment together with all unmatured Coupons,
tailing which the amount of any missing unmatured Coupons will be deducted from
the sum due for payment. Any amount so deducted with be paid against surrender
of the relative raissing Coupons within a period of 12 years commencing 15th May,
1986. Bonds will become void unless presented for payment within such period of 14th March, 1986

S.G. Warburg & Co. Ltd. as Principal Paying Agent

THE FINANCIAL TIMES is proposing to publish a

Survey on

DIRECT MARKETING

Wednesday April 9 1986

For further information, please contact: NINA JASINSKI on 01-248 8000 ext. 4611: Details of Financial Times Surveys are subject to change at the discretion of the Editor

FINANCIAL TIMES

NEW TRENDS IN TRADE FINANCE

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(a) Public Sector
(b) Private Sector
(c) Political Risk
(ii) Exchange Risk
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London EC1M 5SA Tel: 01-251 9321. Tec: 23700 FINES G

The biggest free morning newspaper in the world is in Birmingham. It has evolved from Reed Publishing's strong presence in regional newspapers.

Since 1981 we have built a business which produces 5.5 million copies

of regional newspapers every week. Today 5 million of them are free. Once again Reed Publishing is

moving with changing media patterns and the fresh needs that result.

Regional newspapers make up Britain's second-largest advertising medium with £984m total revenues. Reed Publishing have a 5% share.

We planned a newspaper group with good geographical spread: our newspapers now circulate in the North West, North East, the West Midlands, Essex, the West Country and prosperous areas of Greater London.

Reed Publishing's progress has been marked by imaginative

MORE PAPERS

THANMRPICKWICK

product development. An excellent example of this is the Birmingham Daily News. This free morning daily was launched as recently as October 1984 and has a guaranteed distribution of 350,000 copies with total penetration of its targeted area. It is delivered punctually between 7.00 and 8.00 a.m. and advertisers report high levels of same day response. Its success is firmly based on a combination of the news and advertising that readers and advertisers like and want.

As with Reed Publishing's regional newspapers, both free and paid for, it is self-contained, with editorial and commercial staff integrated into the community.

With titles as old as Berrows Journal, founded in 1690, and as young as the Daily News, Reed's regional newspapers encompass the best of the traditional and the most imaginative of the new in the regional press.

The Ashdown Investment Trust PLC

The Annual General Meeting was held at 36 Old Jewry, London EC2 on Wednesday, 12th March, 1986.

The following is a summary of the Report by the Directors for the year ended 30th November, 1985. 21,897,173 £1,686,818 **Total Revenue** £ 946,695 Revenue after taxation and expenses £1,042,528 2.88p 3.17p **Earnings per Ordinary Share** 2.73p Ordinary dividends for the year net per share <u>3.10p</u> 153.0p Net asset value per 25p Ordinary Share 167.2p



Managed by Schroder Investment Management Limited

The Company aims primarily to achieve long-term capital growth while maintaining a progressive dividend policy.

Copies of the Report and Accounts are available from the Secretaries, Schroder Investment Management Limited, 36 Old Jewry, London EC2R 8BS. JOURNALS · EXHIBITIONS · GUIDES · DIRECTORIES · LAW

A Reed International Company

DPUBLISHING

Reed Publishing Limited, Quadrant House, The Quadrant, Sutton, Surrey SM2 5AS

HARRISONS MALAYSIAN PLANTATIONS BERHAD

INTERIM REPORT FOR THE NINE MONTHS ENDED 31st DECEMBER 1985

The Directors announce that the unaudited Group results for the nine months to

31st December, 1985, were:		Nina m to 30th Do 1985		R4		rease/ rease)
	Group M\$'000	Company MS'000		Company M\$'000		Company
Turnover	616,833	34,052	851,406	30,031	(28)	13
Investment & other income	15,584	8,892	10,623	1,434	47	520
Opereting profit	97,290 2,187	29,184	152,727 1,048	19,684	(36) 109	48
Profit before taxation	69,477	29,184	153,775	19,684	(35)	48
(See Note 1) Taxation(See Note 2)	40,456	13,307	60,051	5,792	(33)	51
Profit after taxation	59,021 75	15,877	93,724 45	10,892	(37) 67	46
Extraordinary items	58,946 2,798	15,877	93,679 1,766	10,892	(37) 58	46
Retained profit for the period	61,744	15,877	95,445	10,892	(35)	46
NOTES (1) After Charging —Interest —Depreciation	784 17,465	61 335	1,258 15,349	176 100 8.792	(38) 14 (32)	(65) 235
	39,965 136 356	13,307	58,644 1,020 387	5,792	(87) (87)	51
Profit on sale of land by subsidiary companies	140	-	1,444	_	(90)	_
Profit on sale of shares by a subsidiary	648	_	322	-	101	_
Surplus from liquidation of an investee company	2,010	_				
	2,798	-	1,786	1985		1984
Profit after taxation as percent Profit after taxation as percent Net earnings per share (in Sen Net tangible asset backing per	age of sb	arebolders' i	unas	9.69 3.59 13.9 M\$4. 01	%	Group 11.0% 5.6% 22.9 M\$3.97

HARVESTED CROPS - TONNES Nine months to 31.12.84 133,302 128,516 36,734 39,131

The improved cropping levels were unable to counter the effects of the continued decline in commodity prices, except cocoa, and the lower throughput and profit margins from palm oil refining. Results for the year will therefore not match last year's exceptional

The Companies (amendment of schedules) Order 1986, which came into effect on 1st February, 1986, requires companies to value stocks at the lower of cost and net realisable value. This method of produce stock valuation will be applied at year end.

The Directors have declared an Interim Dividend in respect of the financial year ending 31st March, 1986, of 6 Sen per share, less tax, absorbing \$15,227,684 payable on 30th April, 1986, on 422,991,214 sbares (last year 10 Sen per share).

The last day for lodging transfers will be at the close of business on 10th April, 1986. By Order of the Board Zalnal Abidin Jamal Secretary

THE UNITISED PROPERTY MARKET

A discussion document containing proposals for the creation and trading of units in single properties has been produced by a working party.

SEMINARS

TO DEBATE THIS SUBJECT SEMINARS HAVE BEEN ARRANGED ON THE FOLLOWING DATES:

11TH APRIL 1986 **1ST MAY 1986**

TO BE HELD AT THE INSTITUTE OF CHARTERED ACCOUNTANTS, MOORGATE PLACE, LONDON EC2.

9.30 A.M. - 12.30 P.M. (Codes served from * 00 a.m.)

Those who would like to attend should complete the form below, enclosing the seminar fee of \$10 (including VAT).

Cheques should be made payable to:

Mercantile House Holdings pic In the event of over booking, turther dates will be sent to applicants.

11th April 1986	1st May 1986	Piecse lick box of preferred choice.
Please send me a co	py of the document [
Nome:		Address
Position:		
Representing:		Postcode:
Cheque enclosed for	£	Tel No:

HARVED CTATES DAALISMAN ASSESSED
UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK
SOUTHERN DISTRICT OF NEW YORK

in re: SAXON INDUSTRIES, INC., Case No. 82-B-10697-BRL NOTICE OF UNCLAIMED PROPERTY

NOTICE IS HEREBY GIVEN, that: The Second Amended Plan of Reorganization as Modified as Technically Modified ("Plan") of Saxon Industries, Inc., ("Saxon") was confirmed by Order of the United States Bankruptcy Court for the Southern District of

New York on March 22, 1985; The Plan provides that any person who fails to claim any cash or securities to be distributed under the Plan within one year from the First Distribution Date shall forfeit all rights to any distribution under the Plan;

3. The First Oistribution Date under the Plan occurred on May 6, 1985; 4. The one year anniversary of the First Distribution Date will occur on 5. Any person who believes he is entitled to receive a distribution which

he has not received, or wishes to claim any cash or securities to be distribution which under the Plan, who has not diready done so, should contact the Escrow Agent, before May 6, 1986, by writing to The Bank of New York, 21 West Street, New York, New York 10006, Attention: John McEvoy, or by calling the Escrow Agent at (212) 530-1405.

rando controlos en el estable de la centaj la locologia de la composição de la composição de la composição de l

Dated: March 5, 1986

UK COMPANY NEWS

William Collins profits rise by 11.5% to £13m

DESPITE BEING affected by retained profit came out at adverse currency movements £6.32m, egainst last year's William Collins, Glasgow-based £4.67m. Earnings per ordinary publisher reported pre-tax and A ordinary share were 28.1p profits up by 11.5 per cent (20p). 1985.

and chief executive says the group made excellent progress during the year and with sales for the first two months of the present year up on the compar-able period he looks forward to

ahle period he looks forward to another year of growth.

Turnover was down by £2.3m to £121.3m reflecting a planned cut in unprofitable agency sales in Australia of £4.3m and adverse currency effects of £9m. Pre-tax profits rose from £11.75m to £13.1m, but the company says they would have been pany says they would have been £1.2m higher but for the effect

Operating profit came out at the largest and m fil4.42m (£12.97m) with share of essocietes adding a further £944,000 (£838,000). The pretax figure was struck after net subsidiary made integer and files. interest payable of £2.27m (£2.06m).

The tax charge was £4.1m (£4.84m) and with dividends taking £2.67m (£2.24m), the

Leisuretime International, the hotelier, holiday operator and investment dealer chaired

Turnover was up 8 per cent from £6.03m to £6.51m and the

were 7.16p, down 27 per cent from 1984's 9.79p.

Leisuretime notes the forma-tion of two divisions which, it

says, should make a significant

develop media and communica-

tions businesses with a view of

Southend Stadium

prising of five retail units in

13.635 sq ft. Gross income on the portfolio, which has been independently valued at

2750,000, is currently £67,350 per annum. Following certain lease renewals this month this

is expected to rise to £75,000

raising UK earnings.

Leisuretime

turns in

£477,000

1985.

Directors are recommending an increesed final payment of Towards the end of the year the 5.375p. compared with last year's equivalent 4.5p. Tha total payment is 7.75p (6.5p).

Mr Chapman says that all UK divisions performed well.

Collins "New Concept" in publishing organisation was introduced and benefits are expected in the present year.

There was rapid growth at Hatchards with five new hranches being opened bringing the total to nine. The ecquisition of Clande Gill Books and Hunkydory will provide further growth areas, the chairman

profits were the Glasgow Increased recorded by the Glasgow operations and the books manufacturing division. which increased market share and with expected production of more than 75m books in the

He adds that the Australian subsidiary made a strong recovery in the year under

review.

Mr Rupert Murdocb's News
International bolds a 42 per cent stake in the company. cent stake in the company.

Collins could proffer plenty of excuses for the fall in turn-over, from adverst currencies, to the end of the Australian agency agreement. The City agency agreement. The City seemed to swallow the excuses and voting shares rose by 20p to 485p and non-voting by 10p to 323p. After five years of retrenchment—technicel investment, marketing innovetion and restructuring—Collins is breeing itself for growth. Retailing has emerged as a crucial investment area. Four new Hatchards shops will open this year although, by its own admission, Collins has yet to decide what Collins has yet to decide what to do with the recently acquired Claud Gill chain. The structural problems of its Australian operation seem to beve heen resolved although the currency conundrum has not. The City with expected production of more than 75m books in the present year it will be one of the largest and most modern book manufacturers in Europe, the chalrman says.

Conundrum has not. The City of Expects profits of £15.5m for the next financial year producing a present year it will be one of present year it will be one of the largest and most modern shares. Despite the recent rush of acquisitions gearing is at a manageable 35 per cent and colling in the conundrum has not. The City of the conundrum has not. The conundrum has not the conundru Collins is in an acquisitive mood again. In this country educa-tion, law and medicine ere the

Cattle's at record £2.7m and sees further growth

AN IMPROVEMENT in second balf profits from £1.12m to £1.61m has helped Cattle's (Holdings), Rull-based financial services and retailing group to record pre-fax profits of £2.72m for 1985 against £1.96m

and investment dealer chaired hy Mr Timothy Aitken, re-ported pre-tax profits of £477,000 for the year to the end of October 1985. This compares with £1.26m in 1984 when the figure included income of £978,000 from the sale of the Old Swan Hotel in Harrogete. previously.
Commenting on the results,
Mr Roy Weudby, the cheirman,
says they confirm the trend
reported et the interim stage.
Looking aheed he says there is e
great deal of enthusiasm and
optimism regarding prospects
for 1986, It is too early to make
profit forecasts, particularly as final dividend is 1.15p (1.1p), making a total of 2.3p for the year (2.1p), Earnings per share profit forecasts, particularly as interest rates can upset budgets, but the directors are looking to another year of significant profit

another year of significant profit improvement, he states.

A final dividend of 1.075p (0.9p) is being recommended, hringing the total for the year to 1.8p egainst 1.5p, a 20 per cent increase. Stated earnings per 10p share are ahead from 2.02a to 2.4pc. impact on future profits. One division will manage leisure developments in Spain and Portugal and the other will 3.03p to 3.4p.

Southend Stadium profit up from £4.86m to £7.36m before a transfer to deferred southend Stadium has revenue of £893,000 (£275,000) paid £609,000 cash for a port-folio of freebold property com- (£2.53m). The pre-tax result was struck after an allocation to the employee share scheme of Gravesend and three industrial the employee share units in Cheltenham totalling \$143,000 (£103,000). Schopacbeck Financial Ser-

vices, a wbolly-owned subsidiary, improved throughout the year, the chairman says, and the consumer business pre-viously handled by Cattle's Holdings Finance is being inte-grated with Schopacheck.

comment

Cattle's (Holdings) has finished DAVY CORPORATION bas £760,000 ahead in spite of expansion and reorganisetion received the \$40.4m cash, including interest, arising from the US pension scheme surplus costs and the 2 per cent rise in its average cost of funds. The referred to in the previous miners, in better times its best eer's accounts.

customers, have well justified the laith in them held by the company's strictly Chepel-going founder as they have made it a priority to reduce indebtedness since the strike. However, these figures do seem a little stretched (perhaps for defensive reasons?) by the £250,000 from the pen-sion contribution holiday and the £230,000 from disposals. The statement es good as asks the market to add back in almost £1m from loss elimination (and another £100.000 from the pen-sion holiday) so forecasts of £3.8m are not asking Cattle's to do very much more for its money. If average interest rates fall a percentage point theo maybe another £300,000 could be in the pipeline. The shares at 521p are on a prospective p/e of 10 given the more cautious

BOARD MEETINGS

Marivala Monta Murray Ventures Mar 24 Sanderson Murray and Elder... Mar 20

Automated Socurity
Canning (W.)
Clyds Potroleum
Enterprise Oil
Jones and Shomen
Kode International
Legal and General
Lunead
Macfarlane Group (Clansman)
Martin Albert)
Pittard Group
Stockley
Tricentrol

prediction. On a sectoral basis a rating of nearer 12 seems justified, so the recent rise should still have some way to go Turnover improved by almost 24 per cent to £94.98m (176.68m), giving an operating

TODAY Interiors: Ounton, Goodman Grothers, Process Systems. Finals: Henry Ansbacher, Invergordon Distillers, Sintrom, Suter. **FUTURE OATES**

Aurora

Wimpey (Feorgs)

British "ELECOM





EARNINGS CONTINUE O INCREASE	
	Third quarter Currelative 3 months 9 months anded 31 Dec anded 31 Dec 1985 1984 1985 1984 201 £m £m £m
urnover 2,	111 1,941 6,160 5,620
Operating profit	516 471 1,536 1,392
rofit before taxellion	448 386 1,333 1,070
rofit attributable to ordinary shareholders:	248 232 739 660
arnings per ordinary share	1.1p 3.9p 12.3p 11.0p

Nine months ended 31 December, 1985:

- Turnover up 10%
- Profit before taxation up 20%*
- Earnings per ordinary share up 11%* *After adjusting for changes in capital structure in 1984

Investing for growth

The unaudited figures above are extracts from the inform report, a copy of which may be obtained by lelephoning LinkLine 0345 010707 (local dail charge only within UK) or London 01-356 6863, or writing to Hugh Mernit, knestor Relations Marrager, Investor Relations Office, British Telecom Centre, 81 Newgate Stroet, London EC1A 7AJ. For daily information on the British Telecom share price, dial Sharelina on one of the numbers given below. Bettast (0232) 8030 Esmilingham 021-246 8056 Entatol (0272) 215444 Carditt (0222) 8037 Edinburgh 031-447 0333 Glasgow 041-248 4400 Leeds (0532) 8038 Liverpool 051-488 0797 London 01-246 8022 Manchester 051-246 8050

SONS OF GWALIA N.I. (Incorporated in Western Australia) ISSUED CAPITAL: 28,395,016 Shares of 25 cents each fully paid

HALF-YEARLY UNAUDITED REPORT FOR THE PERIOD ENDED 31 DECEMBER 1985

OPERATING RESULTS Ore mined (tonnes) Grade of Ore mined (g/t) Ore milled (lonnes) Fine Gold Produced (ounces)

FINANCIAL RESULTS

Depreciation & Amortization

Operating Revenue

Other Income

Operating Cost

21,057 \$10,673,112 \$594,143 \$4,369,866 \$753,696 \$6,143,693

3.58

me I

3 8 1845

197,622

Operating Profit SUMMARY Production: The production for the half year of 21,057 fine ounces was within budgetary targets and in accord with the previous half year's figures.

Financial: The unaudited financial results for the half year reflect a substantial increase in profitability. In comparison to the first half profit for the 1984/85 financial year, the increase is equivalent to 86.52%. This was primarily due to an increase in revenues brought about by an improvement in the Australian dollar gold price. The average price received during the half year was A\$462.96 compared with A\$397.72 for the previous twelve months.

Operating costs during the period were controlled and met budgetary targets.

ORE RESERVES

During the period the Company recalculated its ore reserves et the Sons of Gwalia Mine to a depth of 100 metres only. The ore reserve calculations as at 30 December 1985 are as follows: 1,838,000 tonnes @ 3.75 g/t gold Proven Reserves 492,000 tonnes @ 3.84 g/t gold Probable Reserves

Broken Ore: Run of mine stockpile Low grade stockpile

14,000 tonnes @ 3.6 g/t gold 77,000 tonnes @ 1.2 g/t gold 2,421,000 tonnes @ 3.69 g/t gold

The in-situ reserves in the proven and probable categories are therefore 2,344,000 tonnes @ 3.77 g/t gold.

The original reserve calculations of 2,218,000 tonnes @ 3.74 g/t gold were as at 31 October 1983 prior to the commencement of openpit mining operations. Since that date mine production and throughput until 30 December 1985 was 541,840 tonnes at an average grade of 3.84 g/t. This figure has been taken into account in reaching the new reserve figure.

The above reserves also include the ore contained in the Gwalia North tenements acquired from Kulim Limited in 1985.

The Company continued to carry out exploration in the Leonora area generally. This exploration will be increased in the coming six months as will Joint Venture negotiations with parties holding potential gold resources in the region.

FUTURE OUTLOOK Production for the second half of the financial year should generally be in line with the first half's results save for a limited increase from the King of the Hills Joint Venture. Revenues are anticipated to increase as e result of the Company's forward selling programmes whereby approximately 50% of the anticipated production has been forward sold at in excess of A\$500.00 per nunce.

In general, the outlook for the second half is particularly encouraging.

For and on behalf of the Board

PK Lalor Managing Director

> London Information Office City of London Public Relations Ltd. Triton Court, Finsbury Square EC2 Tel: 01-628 5518 Telex: 262128 Cition

NOTICE OF EARLY REDEMPTION



Asian Development Bank

15,000,000,000 Japanese Yen ASIAN DEVELOPMENT BANK 8 1/4% Japanese Yen Bonds of 1981, due 15 April 1991

Notice is hereby given that pursuant to the Conditions of the Bonds, the Bank will redeem the total issue at 101% of the principal amount of the Bonds on the next interest payment date, 15th April, 1986, when interest on the Bonds will cease to accrue. Repayment of principal will be made

upon presentation and surrender of the Bonds, with all unmatured coupons attached, at the offices of any one of the Paying Agents mentioned thereon. Coupon No. 5 which matures on 15th April, 1986, should be detached and presented for payment in the normal manner.

The Industrial Bank of Japan, Limited Fiscal Agent 14th March, 1986

NOTICE TO HOLDERS OF



The Sumitomo Bank, Limited

U.S. \$120,000,000 23/4 per cent. Convertible Bonds 2000

Notice is hereby given that with respect to the issuance of new sheres for free distribution euthorised at the meeting of the Board of Oirectors held on 28th February, 1986, the shareholders appearing on the final register of shareholders of the Bank as of 31st March (Monday), 1986 (Japan tima) (the record date) will be allocated 0.03 new shares for each share held by them, and as a result of such cuthorization of free distribution of shares the following euthorisation of free distribution of shares the following adjustment of the conversion price shall be mede pursuant to Clause 7(H) of the Trust Deed constituting the captioned Bonds dated 29th July, 1985:

1) Current conversion price before

djustment: 2) Conversion price carried forward: 3) Conversion price after adjustment:

A CONTROL OF THE PROPERTY OF T

Yen 2,142.0 Yen 2,141.8

4) Effective date of the adjustment 1st April, 1986 By: THE SUMITOMO BANK, LTD. 4th March, 1986 as Principal Paying Agent

UK COMPANY NEWS

Growth all round boosts Hawtal by 67% to £3.5m

WITH ALL three making strong contributions ings emerged 10.4p ahead at in the US and largely for Hawfal Whiting Holdings saw 31p per 5p share.

A divisional breakdown of the results, closed 20p higher cent to £3.52m pre-tax.

Sales shows: design engineering of the results, closed 20p higher than a principle of the results, closed 20p higher than a principle of the results. Turnover for the period f22.57m (f11.6m), dle models f2.42m (f11.6m), dle models f2.42m (f11.6m), dle models f2.42m (f11.6m), dle models f11.8m f12.92m to f26.17m. Hawtal (f454,000). based in Essex, is an auto- The group is currently motive design engineering engaged on nine major auto-

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During the period over 94 per cent of group turnover related to export work.

related to export work.

Shareholders are to receive a dividend of 7p net, the rate promised at the time of the group's entry to the USM in October 1994. The previous year's payout was 1.5p but the directors pointed out in the prospectus that had the shares been quoted for the whole of that year they would have recommended 8 6p dividend for 1984-85.

(£454,000).

mobile design programmes, etght of which are for various divisions of General Motors, together with oumerous smaller projects. This compares with four major programmes at the beginning of 1985. The directors are looking for

continued development in all aspects of group business in 1986, and in particular 10 strong growth from the field of computer sided design.

comment

Hawtal Whiting is an oddity in Tax for 1985 rose from British industry. Its steple £824,000 to £1.51m and left activity is to design cars, from the net balance at £2.01m, the original clay model through

boost **Appleyard** sectors compared with £1.29m. Earn- to the production lioe, largely profits yesterday at 450p. An extensive GOOD performance from its GOOD performance from its cars and vans operations contributed to Appleyard Group's continued improvement in 1985. Compared with the £810,000 pre-tax contribution they made in 1984, cars and vans added £1.61m to the group's total pre-tax profits of £2.06m. This was a 68 per cent advance on the 1984 figure of £1.23m. investment programme has equipped the company with computer aided design facilities to stave off American and Ilalian competition, but has left gearing unhealthily high at 125 per ceot. Nonetheless the City expects profits of f4.5m this year and a p/e of 10.0. By opting for the US as its main market Hawtal Whiting has closed electrons and the second electrons and the second electrons are the second electrons ar

Whiting has steered clear of the tristes of the British car industry hut has left itself very vuloerable to fluctuations in dollar exchange. In its first set of publicly quoted results the company benefited from the dollar's fluctuation, this year it lost £400,000. Curreocy hedging is the short term solution, but for the longer term Hawtal Whiting is scouting about for The motor dealer and oil distributor is recommending a final divideod of 3.5p to make the total for the year ap. np 67 per cent on 1984's figure of 3p. Earnings per share more than doubled from 11.3p to 24.8p after a redoction in tax from £303,000 to £59,000. Whiting is scouting about for alternative markets in Europe, Australasia and the Third World.

New Darien net

assets downturn

attached to warrants.

Net asset value per sbare of the New Darien Oil Trust, investment company, fell from 83.6p to 71.7p by the year ended January 31 1986, and from 85.1p to 74.2p, adjusted for exercise in full of rights

to but excluding 14th April, 1986.

The useful contribution from ears came in spite of the discount war which squeezed tradiog margins and made volume the olny route to pro-fitability. Mr Ian Appleyard, group chairman, said this policy was successfully pursued.

Car sales

Appleyard Group rational-ised its properties, including concentrating its entire ear, truck, fleet and leasing activittes in four locations. The cost of this rationalisation appears as an extraordinary item of £201,000.

The company says cash control proved effective despite the increase in turnover from £139.78m 10 £161.81m. As a result, interest and stock finance charges were only 7 per cent higher at £1.19m than for 1984 even though the average interest rate was 23 per cent

US. \$125,000,000



Oil and Natural Gas Commission

Guaranteed Floating Rate Notes Due 1996 Unconditionally and irrevocably guaranteed as to payment of principal and interest by

> India Acting by its President

Interest Rate

Interest Period

75/8% per snnum 14th March 1986 15th September 1986

Interest Amount per U.S. 510,000 Note due 15th September 1986

U.S. \$391.84

Credit Suisse First Boston Limited Agent Bank

Notice of Purchase



European Investment Bank

95/8% United States Dollar Bonds of 1979. Due February 15, 1991

Notice is hereby given to Bondholders that European investment Bank, Luxembourg, has purchased during the twelve-month period ended February 14, 1986, U.S. \$2,000,000 principal amount of such Bonds.

On February 15, 1986, the principal amount of Bonds remaining in circulation was U.S. \$75,000,000.

Luxembourg, March 14, 1986 **EUROPEAN INVESTMENT BANK**

 6320
 6329
 6332
 6338
 8342
 6344
 6345
 6350
 8301
 6353

 8370
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 8002
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 6625
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Results for the Year Ended 31st December, 1985

	1985	1984
	£000's 65,456	£000's 65,462
rumover	95,430	03,402
Operating Profit	3,491	2,477
Net Interest Paid	363	718
Profit on Ordinary Activities before taxation	3,126	1,759
Profit after all charges and taxation	2,536	1,802
Dividend	740	672
Familiana manahana	20.20	1450

Mr. D.C.H. Crouch, Chairman, reported a further substantial increase in pre-tax profits for 1985 to £3,128,000 compared with £1,759,000 for the

The group's U.K. mining operations performed well despite the worst summer weather conditions recorded for some time. The sanding of the N.U.M. strike action and the lifting of contractual tonnese restrictions in some areas assisted performance.

U.S. coal mining operations produced improved profit-sbility even though the market for steem coal remains depressed. Concentration on production monitoring and reduced borrowings both reflected in the profit which was well ahead of the previous year.

The private housing and retirement homes develop-ments division continued its expansion policy and is now showing real signs of transforming the construction subsidiary's future prospects.

The Chairman enticipated that Improved results from the U.S. operations together with the gradual emergence of the developments division would continue to supplement the core U.K. mining activities and that the group could look forward to 1986 with optimiom.

An Increase of 10% in the final dividand peymant is recommended to 4.138 p per share payable on 8th April, 1986 to shareholders on the register at 20th March, 1986, which together with the Interim paid in October, 1985 gives a total distribution for the year of 5.931 p per share amounting to £740,000.

DEREK CROUCH PLC
Head Office: Peterborough PE6 7UW
Telephone: Peterborough (0733) 222341. Telex 32129

Tyne Tees TV hit by cut in advertising revenue

Tyne Tees Television, which £11,16m (£8,72m for 12 months) operates the IBA television and the Exchequer levy contract for the north-east of England, 'yesterday reported virtually unchanged results for the extended 15 month period to end-December 1985.

Sir Ralph says the result was achieved through significant Sir Ralph says the result was achieved through significant cost reductions and he welcomed the Government's decision on future proposals for Exchequer levy and expressed optimism for the company's future. Turnover for the period was £60.53m (£46.01m).

At £3.19m pre-tax the result was creditable says Sir Ralph Carr. Ellison, the chairman, considering the period was beset by depressed advertising revenue throughout the UK and the company's reduced share of this income hrought about by the perional boundary survey. national boundary survey.

On an annualised hasis the

result shows 8 fall against the £2.6m schieved in the previous 12 months to end-September Channel 4 subscriptions took

Leather group

tops forecast

Westbrick aids

World of Leather, the specialist retailer of leather-upholstered furniture, saw pre-tax profits more than double from £522,000 to £1.2m in 1985 -17 per cent higher than foreeast when the company came to the USM last November.

The record profit was made on turnover 54 per ceot higher at £9.14m (£5.94m), an increase the company put down to the impact of new shops opening and existing ooes fulfilling more of their potential.

Tod's profits

A big contribution from its acquisition, Westbrick Plastics, helped Tod, the U5M-quoted company, to achieve record profits for the six months to the end of 1985. The pre-tax figure jumped 80 per cent from £342,000 to £815,000 on turnover up almost fourfold from £1.3m to £504m

The Weymouth-based com-

The Weymouth-based com-pany, which designs and makes

Correction Notice Replaces Notice of March 11, 1986 **NORDISKA** INVESTERINGSBANKEN · (Nordic Investment Bank)

US \$20,000,000 14% per cent. Bonds due 1990

NOTICE IS HEREBY GIVEN THAT, pursuant to Condition 5(a) of the Bonds, Citibank, N.A. as Fiscal Agent, has selected by lot for redemption on April 15, 1986 US\$1,150,000.00 principal amount of sald Bonds at the redemption price of 100% of the principal amount thread, together with accrued interest to the date fixed for redemption. The serial numbers of the Bonds selected by lot for redemption are as follows: 107 220 223 333 338 348 415 418 418 424 427 441 447 452 461 470 475 477 481 482 493 496 498 501 515 518 527 538 631 660 672 876 691 706 724 732 737 754 758 762 767 783 784 786 797 800

797 800
Payment will be made upon surrender of Bonds together with all coupons maturing effer the date fixed for redemption, at the offices of the Psying Agents as shown on the Bonds. Coupons maluring on April 15, 1986 should be detached and presented for payment in the usual manner. On and after April 15, 1986 interest on the Bonds will cease to accrue and unmatured coupons will become void.

Outstanding effer April 15, 1986 US\$8,900,000.00.

March 14, 1986 By Citibank, N.A. (CSSI Dept.) London, Paying Agent

CITIBANCO

Granville & Co. Limited

Member of The National Association of Security Ossiers and Invastment Managers

8 Lovat Lane London EC3R 8BP Telephone 01-621 1212

Over-the-Counter Market

							P/E		
					Gross			Fully	
High	Low	Company	Price	Change	div.(p)	Ya .	Actual	taxed	
146	118	Ass. 9nt. Ind. Ord	134	+2	7.3	5.4	8.2	7.7	
151	121	Asa. Bnt. Ind. CULS	139	+2	10.0	7.2	_	_	
75	43	Airsprung Group	71	+1	6.4	9.0	11.8	15.4	
46	33	Armitage and Rhodes	35	=	4.3	12.3	4.3	5.2	
173	106	Sardon Hitt	173	_	4.0	2.3	21 9	22.8	
64	42	Bray Technologies	56	_	3.6	7.0	8.8	7.8	
201	136	CCL Ordinary	138	Ξ	12.0	8.7	34	32	
152	\$7	CCL 11pc Conv. Prsf.	90	_	15.7	15.9			
140	80	Carborundum Ord	t 40	_	4.9	3.5	8.8	.10.8	
94	83	Carborundum 7.5pc Pf.	91	_	10 7	11.8			
86	46	Deborah Services	57s1	1	7.0	t2.3	5.9	7.8	
65 32	20	Fradarick Parker Group	23	_	_	_	_	_	
t03	50	George Sigir	103	_	_	_	4.2	7.8	
68	30	Ind. Precision Castings	64	_	3.0	4.7	18.9	t4.1	
218	161	leia Group	164	_	15 O	9.1	t2.6	.16.9	
	101	Jackson Group	116		6.5	4.7	7.9	7.9	
122		James Burrough	345	. =	150	4.3	10.8	t0.8	
345	228	James Gurrough Spc Pt.	94x6	1 —	128	t3.7	_	_	
95	85	John Howard and Co.	63	_	50	7.9	5.0	7.9	
95	63	Minihouse Holding NV	1200	+112	69	0.6	52.4	49.8	
1200	570	Robert Jankins	66	_	_	_	8.5	18.9	
82	32	Scruttons 'A	30	_	_	_	. —	7.7	
34	28	Torday and Carileio	69	Ξ	50	7.2	3.5	0.3	
87	56	Trevian Holdings	330	_	7.9	24	8.9	9.1	
-370	320	Unlinck Holdings	81	_	2.1	4.1	13.9	13.8	
53	25	Waiter Alexander	138*	d +1	6.8	6.2	7.6	9.5	
138	93	Walter Wespiege	200	_	17.4	8.7	5.7	9.8	
226	195	W. S. Yeales							

The dividend is almost doubled to 0.625p (0.325p) for the year from earnings per share up from 0.52p to 0.92p. the (£46.01m). Shareholders of this USM to £139,000. Tax charge was £47,000 compared with £29,000. Smakes a 13.125p total for the 15 months (10.5p for 12 months). Earnings per share were 32.78p (25.78p).

US\$ 100,000,000 121/4% Guaranteed Notes due 1992

MITSUI FINANCE ASIA LIMITED

(Incorporated in the Cayman Islands)

NOTICE IS HEREBY GIVEN that pursuant to Condition 7 (B) of the 121/4 per cent. Notes, US\$ 18,000,000 principal amount of the Notes has been drawn, for redemption on 14th April, 1986, at the redemption price of 101% of the principal amount, together with accrued interest

The serial numbers of the 12 1/4 %. Notes drawn for redemption are

s fol	OWS:	(Line	130, 11,	4 14 14	, I I I	23 (4) (7)	#1 1 O. 1	cociip	ucit pro	
43	13	17 48	18	19 62	26 57	29 64	30 66	33 77	36	
140	85	108 152	112	113	122	123	125	136	139	
248 306	269 310	274 311	277 320	278 323	287 328	291	292	339	.296 340	
343 371	345 375	347 376	251 384	358 392	360 401 452	362 407	365 408	389 413	270 423	
437 482	440 485	441 487	446	450 493	499	455 507	456 614	489 517	471 532	
537 581	539 582	541 589	542 597	599	504	806 806	571 913	575 915	578 518	
626 671	629 681	631 705 768	543 715 770	721 771	651 723 776	652 730 777	658 737 780	738 783	668 745 790	
750 781 870	767 796 871	811 885	818 890	819 893	820 896	827 904	835 912	850 816	857 928	
946	949 890	953	955 1005	958 1006	959 1010	981 1012	975 1019	880 1019	982 1020	
1023	1032 1138	1048 1140	1065	1072 1145	1073 1147	1077 1150	1116 1154	1122 1158	1127	
187	1189	1173 1223	1177 1229	1179	1186	1192	1195	1197 1267	1210	
1278	1286 1333	1288 1340	1290 1344	1297 1357	1303 1363	1305 1394	1311 1309	1312 1374	1320 1381	
1383 1432	1394 1435	1385 1444	1399 1448	1403 1451	1406 1461	1406 1462	1415 1464	1416 1480	1431 1484	
1495 1557	1509 1560	1527 1565	1531 1567	1532 1569	1534 1574	1536 1581	1543 1582	1547 1589	7551 1594	
1596 1634	1599 1637	1012 1642	1013 1662	1615 1587	1619 1868	1624	1686	1630	1691	
1692 1752	1695 1753	1696 1773 1829	1597	1714 1787	1721 1780	1723 1806	1740 1809 1856	1743	1750	
1818 1869 1913	1824 1870 1922	1884 1935	1838 1891 1937	1850 1892 1838	1851 1893 1944	1853 1894 1949	1895 1952	1862 1907 1960	1883 1910 1966	
968	1971	1973	1974	1978	1979	1989	2004	2012	2013	
2073	2076 2128	2078 2130	2080 2133	2096 2134	2088 2135	2090 2140	2105 2145	2108 2146	2112 2160	
2164	2187 2233	2170 2235	2190 2236	2192	2203 2340 2278	2207	2210	2212 2247	2214 2254	
2256 2321	2207 2323	2258 2324	2273 2326	2276 2327	2335	2260 2339	2299 2340	2304 2345	2309 2348	
2362 2423	2370 2426	2371 2428	2374 2433	2384 2436	2389 2441	2400 2456	2406 2457	2415 2462	2417 2465	
469 518	2467 2619	2489 2522	2489 2540	2490 2543	2501 2548	2502 2554	2504 2555	2506 2562	2507 2565	
2624	2572 2628 2654	2578 2632 2659	2583 2633 2662	2689 2638 2669	2580 2639 2677	2607 2646 2679	2613 2647 2680	2614 2649 2686	2623 2650 2687	
2652 2892 2766	2696 2789	2700 2771	2702 2772	2722 2774	2727 2775	2738 2778	2757 2792	2701 2795	2764 2797	
798	2799 2967	2901 2968	2806 2868	2813 2873	2818 2874	2937 2878	2842 2880	2650 2896	2864 2888	
2898 2944	2906 2958	2810 2959	2912 2960	2914 2964	2922 2694	2926 2985	2931 2889	2937 3004	2942 3010	
012 057	3025 3060	2026 2064	3029 2078	2038 3081	3041 3094	3046 3094	3050 3106	2051 3107	3052 3111	
150 203	3125 3161	3130 3182	3133 3178	3134 3178	3136 2179	2140 3194	3141 3196	3142 3197	2149 3198	
235 236 290	3210 2241 3302	3212 3246 3307	3213 3249 3313	3215 3258 3317	8218 2256 3321	3219 2261 3322	3221 3266 3323	3222 3273 3328	2224 2279 3329	
330	3344 3363	3349 2384	3350 3385	3352 3394	3354 3399	3358 3403	3371 3406	3375 3407	3376 3408	
419	3428 3493	3434 3497	3441 3498	3450 3615	3461 3520	3462 2533	3463 3534	3459 2539	3482 3558	
567 627	3585 3530	2586 3632	3587 3641	3589 2942	3591 3546	3593 3847	3607 2048	2012 3855	3022	
570 1753	3985 2754	3684 3758	3715 3761	2723 3782	3728 2769	2739 3771	3745 3774	3749 2778	2751 3761	
803 852	3809 3966 3940	3812 3860 3941	2819 3861 3942	3822 3889 3944	3832 3901 3955	3839 3904 3958	3947 3920 3971	3843 3923 3972	3844 3928 3979	
937 881 019	3986 4020	2897 4033	3988	3995 4049	4004 4055	4005 4058	4007 4061	4015	4018	
102	4113 4146	4114	4119	4121 4181	4124	4127 4196	4132	4136 4221	4142 4222	
228	4226	4238 4280	4247 4287	4248 4291	4263 4298	4264	4265	4287	4270	
320 357	4276 4324 4389	4320	4334 4394	4335 4400	4336 4412	4303 4339 4421	4341 4423	4344 4425	4346	٠
433	4436 4502	4445 4505	4451 4506	4467 4507	4469 4509	4478 4512	4454	4490 4523	4491	
551· 612	4561 4619	4563 4625	4576 4630	4588 4634	4591 4837	4593 4640	4596 4648	4597 4660	4605 4667	
737	4678 4739	4679 4741 4820	4680 4743 4822	4688 4746 4827	4706 4759 4843	4707 4705	4717 4770	4727 4780 4848	4728 4792 4861	
798 856	4810 4873 4952	4881 4953	4887 4950	4905 4959	4807 4962	4846 4911 4967	4847 4913 4968	4917	4937	
938 979 064	4978 0065	4996 5068	5007 5088	5010 5070	5024 5072	5028 5073	5032 5081	5036 5082	5060 6083	
085	5086 5125	5087 6126	5090 5132	5092 5137	5104 5138	5105 5139	5108 5140	6111 5141	5117 5145	
153	5162 6237	5174 5238	5178 5240	6194 5244	6195 5265	6196	5200 5281	5218 5283	5222 5290	
29 t 379	5318 5383	5321 5406	5332 5415	5339 5418	5340 6421	5280 5351 5431	5358 5438	5363 5443	5374 5449	
458 491	5462 5494	5463 5497	5464 5503	5471 6504	5472 5506	5478 5508	5478 5513	5482 5520	5490 6522	
527	5531 5555	5532 5559	5534 5579	5535 5583	5542 5589	5544 5600	5548 5617	5550 5530	6551 5642	
553 649	565t 5708	5652 5720	5873 6724	5674 6725	5680 5733	5682 5734	5591 6741	5694 5750	5699 5753	
703 758	5765 5855	6799 5862	5808 5866	5812 5871	5816 5872	5817 5880	5821	5835 5889	6838 5891	
842 908	5909 0957	5910 5963	5911 5964	5917 5973	5929 5975	5930 5976	6881 5932 5884	0933 5987	5937 5998	
939 997	8000 6079	6007 6982	6020 6986	6035 8997	8049 8099	5054 5102	5057 6103	6059 8105	6064 8106	
110	6118	8121 6188	8141 6189	8155 6190	6156 6196	6160 6205	6154 6205	6167	8174 6216	
178 235	6243	6269	8272	6290	6303	6316	6317	6321	8323	

8002 6856	. 0008	6676	8079	8681	8523 8898		6628 0707	8719	0805 9724
5746 5796 6873	8800	8813	8757 8835 6880	8839	8774 8840 0888	8784 8844 6891	8788 8855 6898	. 8857	6793 6856 6912
6918 7011	0921	8922	7042	6946	6961 7074	6973 7088	8994 7089	8992	7007
7090 7132	7133	7139	7100 7144	7112 7146	7110 7148	7122	7126	7129 7153	7131 7154 7201
7,183 7202 7267	7206	7189 7215 7285	7178 7220 7286	7232	7189 7243 7292	7198 7244 7296	7199 7245 7297	7200 7250 7300	7201 7256 7304
7300	7314	7324 7379	7342	7346	7349	7351 7407	7352 7412	7359	7369 7417
7421 7481	7438 7492	7441	7442	7443 7500	7453 7511	7456 7513	7468 7517	7413 7470 7019	7480 7524
7527 7561 7 <i>5</i> 92	7562	7537 7564 7609	7540 7565	7541 7568	7544 7570	7548 7584	7548 7586	7588	7656 7690
7652 7724	7656	7862	7812 7663 7733	7817 7670 7737	7618 7672 7738	7823 7674 7751	7626 7890 7769	7832 7718 7764	7647 7718 7786
7767 7804	7772	7729 7776 7808	7733 7779 7815	7788 7820 7874	7794 7824	7797 7825	7789 7836	7800 7848	7B01 7853
7854 7916 7955	7075	7865 7930 7970	7867 7938 7981	7874 7939 7982	7876 7942 7994	7878 7945 7994	7898 7949 8011	7908 7961	7912 7852
8040 8087	7960 8046 8095	8052 8097	8055 8101	8088	8068	8070 8123	8077 8128	8024 8080 8131	8029 8083 8133
8139 8180	8144	8147 9195	8151 8201	8106 8153 8203	8109 8159 8210	9180 8219	8165 8223	8159 8232	8172 8233
8243 8303 8359	6305	8256 8322 8387	8260 8324 8393	8268 8331 8396	8269 8334 8396	8275 8337 8388	8281 8339 6403	8296 8349 8407	8302 8352 8420
9422 8476	5427	8432	8489	9401 B490	9450 8491	8462 8482	8466 8501	8474 8502	8475 8507
8528 8579	8582	8485 8538 8587	8542 8598	8546 8605	8547 8512	8557 8615	8561 8523	8564 8637	8568 8640
8642 8689 8722	8646 8687 8735	8692 8745	8653 8654 8765	8658 8704 9756	8660 8705 9782	8668 8710 8780	8879 8724 8781	8580 8727 8783	8683 8731 9794
8804 8865	8808	8813 8874	8814 8875	8820 9682	8825 8687	8837 8899	8843 8903	8851 8906	8853 8812
8925 9026		8950 9038	8961 9048	8866	8976 9079	8983 8065	8984 9098	8987 9104	8996 9106
9106 8148 9790	9114 9152 9196	9119 9155 9197	9121 8161 9208	9122 8170 8209	8123 9175 8221	9127 9182 8222	9128 9185 9225	9136 8180 9226	9139 8192 9239
9243 9301	9247 9302	8252 9315	8257 9316	9258 9330	8264 9337	9273 9338	9274 9340	9276 8341	9269 8344
9345 8382	9356 9393	9358 9396	8364 9397	9385 9398	9367 93 9 9	9378 9402	8380 9405	9396 9415	9420
9424 9456 9520	9427 9407 9531	9482 9543	8432 8463 9547	9433 9471 9552	9436 9474 9553	9437 8486 9556	9445 9489 9554	9454 9491 9572	9455 9508 8576
9580 9570	9590 9875	9603 9664	9606 9686	9628 9690	9639 9692	9847 9700	9659 9707	9661 9711	9567 9729
9731 9816 8851	9740 9822	9743 9823	9761 8826	9788 9834	9773 9835	9778 9838	9786 9843	8785 9848	8800 9549 9935
9938 9996	9870 9956 9994	9876 9885 9998	9879 9968 9999	9897 9968 10015	9974 10019	9906 9970 10025	9919 9981 10029	8930 8996 10035	8987
10042	10043	10047 10079	10049	10050 10088	10056 10091	10059	10118	10119	10039 10071 10134
10141	10148 10203 10266	10148	10151 10206	10154	10155	10158 10230	10245	10250	10187 10251 10301
10313 10347	10315	10324 10348	10326 10355	10327 10362	10335	10337	10340	10341 10381	10344 10382 10414
10387 10423	10315 10348 10392 10427	10395 10428	10398	10400 10433	10401 10438	10405	10407	10411 10446 10533	10414 10460
10544	10482 10549 10588	10549	10557	10507 10558 10524	10562	10585	10566	10571	10534 10575 10652
10653 10683	106 58 10684	10685 10686	10667 10695	10568	10673 10702	10675	10677 10740	10680 10741	10681 10742
10795	10756 10797 10896	10801	10813	10814	10854	10858	10672	10878	10880
10949	10951	10955 11017	10959	10980	10982	10678	10683	10996	10 99 7 11044
11135	11058 11138	11062 11139	11065	11068	11094	11107	11110	11112	11115
11214	11187 11217 11289	11220	11225	11250	11259	11263 11306	112B3	11286 11318	11287 11317
11320 11394	11289 17329 11398	11335 11401	11351	11352	11358	11388 11436	11367 11438	11373 11440	11376
11517	11453 11519 11600	11544	11552	11554	11562	11573 1	11593	11594	11595
11641 11718	11642	11545	11651	11870	11672	11684	11693	11711	11718 11754
11816	11787 11838 11870	11839	11840	11841	11843	11846	11854	11857	11865
11925	11934	11841	11945	11848	11954	11907	11908	11962	11964
12047	12057 12152 12186	12068	12082 12159	12083	12061	12166	12106	12108	12118
12185	12186 12226 12271	12187 12232 12276	12191 12235 12277	12192 12237 12278	12240 12283	12244	2260 12285	12265	12267
12310 12384	12226 12271 12313 12390 12431 12483	12334	2341	12342	2343	12355 12401	235B 2404	12370 12410	12377 12415
12419	12431	12432 12497	2434	12439 1 12506 1	2509	12462 12514 12570	2454 2521	12477 12524 12986	12479 12535
12597.	12618	12517	12642	12644	12645 12705	12647	2654 12709	12673	12679
12738	12748 12786 12846	12761 '	12758 '	12791	12794	12765 1	12766	12779 '	12781
12899	12846	12849	12857	12961	2878	12879 12920 1	2922	12886	12929
13015	12900 12942 13022 13112	12024	12038 13127	12040	2055	13059	2066	18085 1 13158 1	12061 13156
13182	13163	13170	12171	12203	13205	13207	31//	13223	13225
13229	13233	13240	13244	13259 1 13334 1	13265	13269 1 13350 1	13277 12352	13285 12361 :	13286
13365	13368 13451 13522	13392	13394	13388	3403	13408	3604	13427 1 13608 1	13430
12556	13561	13566	13567	13578 1	13561 1 13620 1	13582 1 13621 1	3622	12598 1	13602
13648	13553	13854	13655	13673 1	13680	13682	13690 1 13740 1	13881 1	13697
13750	12754	12755	12756	13752 1	13772 1 13854 1	13774 1 12857 1	37/8	13789 13877 1	13808
13893	13894 13964 14023	12206	13003	13922 1	13923 '	13928 1	13937 '	13 9 40 1	13944
14070	14023 14073	14037 1 14075 1	14042	14043	4095	14104 1	4113	14123	14129

14:120 14:131 14:137 14:142 14:165 14:165 14:165 14:170 14:176
14:131 14:185 14:185 14:185 14:185 14:185 14:187 14:212 14:227 14:227 14:227 14:227 14:227 14:227 14:227 14:227 14:227 14:227 14:228 14:299 14:292 14:293 14

On 14th April, 1986, the said redemption price will become due and payable upon each Note to be redeemed, together with accured interest from 20th February, 1986, to but excluding 14th April, 1986, amounting to US\$ 91.88 per US\$ 5,000 Note. On and after that date, interest on the said drawn Notes will cease to accrue.

Payment of the Notes to be redeemed will be made on or after 14th April, 1986, upon presentation and surrender of the said Notes, with all coupons appertaining thereto, at the office of the Paying Agents mentioned thereon. After 14th April, 1986, US\$ 18,550,000 principal amount of Notes will remain outstanding.

Mitsui Finance Trust International Limited Fiscal Agent

This notice complies with the requirements of the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland and does not constitute an offer of, or invitation to subscribe for or purchase, any securities.



Australian Industry Development Corporation

(A stanuory corporation, wholly owned and guaranteed by the Commonwealth of Australia)

Japanese Yen 20,000,000,000 6% Bonds Due 1996

Issue Price 100%%

The following have agreed to subscribe or procure subscribers for the Bonds:-

Nomura International Limited

Mitsui Trust Bank (Europe) S.A.

Salomon Brothers International Limited

Algemene Bank Nederland N.V. Banque Bruxelles Lambert S.A. Citicorp Investment Bank Limited **Credit Suisse First Boston Limited**

Banque Nationale de Paris Commerzbank Aktiengesellschaft Daiwa Europe Limited

Bank of Tokyo International Limited

LTCB International Limited Merrill Lynch Capital Markets

Mannfacturers Hanover Limited Mitsubishi Trust & Banking Corporation (Europe) S.A.

Morgan Stanley International Swiss Bank Corporation International Limited

Orion Royal Bank Limited Union Bank of Switzerland (Securities) Limited

S. G. Warburg & Co. Ltd.

Yasuda Trust Europe Limited

Application has been made to the Council of The Stock Exchange for the Bonds to be admitted to the Official List. Interest on the Bonds is payable annually to arrears on 26th March, the first such payment being due on 26th March, 1987.

Listing particulars relating to Australian Industry Development Corporation and the Bonds are available in the Extel Statistical Service and copies may be obtained during usual business hours up to and including 18th March, 1986 from the Company Announcements Office of The Stock Exchange and up to and including 28th March, 1986 from:

Nomura International Limited, Nomura House, 24 Monument Street, London EC3R SAJ

Cazenove & Co., 12 Tokenhouse Yard London ECTR7AN

Citibank N. A. 336 Strand, London WC2R 1HB

14th March, 1986

All of these securities baving been sold, this announcement appears as a matter of record only.

\$135,000,000 Banner Industries, Inc.

\$60,000,000

12¼% Senior Subordinated Notes due 1996

\$75,000,000

131/4% Subordinated Debentures due 2006

Drexel Burnham Lambert

Morch, 1986

U.S. \$100,000,000 The Sumitomo Trust Finance (H.K.) Limited (Incorporated in Hong Kong)

12% % Guaranteed Notes Due 1992



NOTICE IS HEREBY GIVEN that pursuant to Condition 5(c) of the Notes, US \$2,000,000 principal amount of the Notes has been drawn for redemption on 16th April, 1986, at the redemption price of 101% of the principal amount, together with accrued interest to 16th April, 1986. The serial numbers of the Notes drawn for redemption are as follows:—

127 1100 2342 3591 4716 5687 6915 7687 8334 9282 9903 10754 11843 12531 13680 14761 15703 16871 17973 19149 225 1137 2457 3601 4730 5845 6998 7749 8503 9305 9959 10792 11905 12562 13862 14779 15753 16902 18050 19151 271 1708 2472 3634 4849 5897 7107 7801 8535 9362 9971 10794 11973 12596 13902 14785 15756 16992 18051 19209 381 1211 2548 3828 4866 5905 7118 7822 8561 9400 10074 10839 12000 12657 13927 14835 15758 17005 18084 19270 437 1285 2587 3888 4914 6019 7121 7836 8664 9447 10075 10873 12050 13937 14904 15908 17134 18111 19306 488 1368 2683 4055 4923 6163 7227 7891 8708 9485 10187 10904 12034 12708 13937 14904 15908 17134 18111 19306 14846 15834 17055 10187 10904 12034 12708 13951 15023 15911 17335 18133 19372 501 1395 2752 4065 5022 6184 7231 7897 8824 9517 10243 11075 12077 12723 13956 15116 15972 17385 18167 19535 555 1433 2891 4069 5194 6253 7306 7911 8826 9524 10317 11177 12090 12728 13986 15130 160773 17424 18316 19540 644 1503 2907 4133 5266 6301 7334 7935 8841 9529 10356 11190 12203 12731 14030 15219 16199 17453 18332 19598 674 1883 2925 4140 5294 6310 7339 8046 8857 9532 10371 11288 12269 12789 14112 15329 16279 17521 18592 19611 693 1973 2997 4225 5320 6372 7387 8085 9076 9624 10395 11431 12277 12815 14171 15335 16397 17575 18650 19757 709 2084 3161 4520 5379 6417 7433 8193 9077 9637 10003 11495 12283 12269 12789 14112 15329 16279 17521 18592 19611 693 1973 2997 4225 5320 6372 7387 8085 9076 9624 10395 11431 12277 12815 14171 15335 16397 17575 18650 19757 709 2084 3161 4520 5379 6417 7433 8193 9077 9637 10403 11495 12283 12289 12380 15130 16779 17521 18592 19611 6912 2201 3434 4581 5396 6498 7440 8207 9105 9647 10406 11552 12307 13252 14334 15421 16520 17752 18820 19816 912 2201 3459 4668 5518 6498 7544 8217 9138 9738 10413 11579 12310 13252 14334 15421 16520 17752 18820 19816 912 2201 3459 4668 5519 6795 7544 8239 9192 9811 10640 11783 12339 13340 14490 15523 16385 17916 19092 19892 1008 2323 3568 4675 5519 6795 7546 8271 9279 19829 10641 11818 12360 13360 14490 15523 16385 17916 19092 19892 1008

On the 16th April, 1986, the said redemption price will become due and payable upon each Note to be redeemed, together with accrued interest from 20th February, 1986 to 16th April, 1986 amounting to US 598.19 per US 55,000 Note. On and after that date, interest on the said drawn Notes will cease to accrue, Payment of the Notes to be redeemed will be made on or after 16th April, 1986 upon presentation and surrender of the said Notes, with all coupons appertaining thereto, at the office of any of the Paying Agents mentioned thereon. After 16th April, 1986

The Chase Manhattan Bank, N.A., London, Fiscal and Principal Paying Agent

14th March, 1986

UK COMPANY NEWS

Raymond Hughes on the legal ruling on the blocked bid for Granada

Rank loses IBA court challenge

THE Rank Organisation yesterday lost its High Court the Independent Broadcasting Authority's deci-sion to block Rank's £753m takeover bld for the Granada Group, which includes Granada

Television.

Mr Justice Mann dismissed with costs Rank's claim for an order quashing the IBA's refusal to allow Rank to vote more than 5 per cent of its shares in Granada.

Under Granada's articles of association, no sharebolder may vote more than a 5 per cent holding unless it is an "approved person" in the eyes of the IBA. Announcing its decision on February 25, the IBA said that

mean a major change io control of a viable programme contrac-tor which would be unaccept-able. The judge beld that Rank's claim failed because, when the IBA made its decision, it had not been acting under a power given to it by the 1981 Broad-

Rank's offer for Granada would

It has also announced an

agreement in principle to buy the share capital of Hall's

Barton Ropery, including its subsidiary Overtons. The consideration has ben provisionally agreed at about £2.2m, to be satisfied by the issue of shares.

Bridport-Gundry, which is based in Dorset, increased its

turnover over the half year by £3.04m to £16.96m. The com-

pany usually performs better in the second balf due to seasonal influences and other

factors and the directors expect

the pattern to be repeated this The Interim dividend is being

stepped up by 0.2p to 1.65p. For the year to July 1985 the

total payment was 5p when profits reached £2.11m with

the second half producing £1.46m (£1.2m). Overall the

directors are confident that the

results for the full year this time will be good.

The directors report that

Bridport-Gundry up 43%

and makes £2m purchase

Bridport-Gundry, maker and Bridport Aviation Products pro-retailer of netting and twisted duced an excellent result for

them by the status under which they operate can be overturned by the courts under the judicial review procedure invoked by

The judge said that if the IBA had been exercising a function under the Broadcasting Act its decision would be reviewable by the court as being a matter of public law. Rank had argued that, when it made its decision, the IBA had been exercising a function under section 20(50) of the Act.

The claim failed because, when the IBA made its decision, it had not been acting under a power given to it by the 1981 Broadcasting Act . . . The judge found 'no unfairness' and the IBA acted

'honestly and in good faith.'

The decision bad been illegal because the IBA had not bad regard to matters the section required it to take into account. Rank contended.

It had failed to consider whether a Rank takeover would involve a change in the nature, given to it by the 1981 Broad-casting Act. characteristics or control of a control of a programme contractor which, if Only decisions made by pub-lic bodies such as the IBA franchise had been awarded,

sidiary, continued its recovery

and Bridport-Gundry Netting

seasonality more than the other companies, but Is

expected to achieve a good result for the year, the directors say, while Lolift, which makes intermediate hulk

containers, lost its higgest con-tract, but the deficit in orders has already heen made good.

Tax took a total of £336,000 against £246,000, and after

minorities of £22,000 (£30,000)

attributable profits emerged up from £370,000 to £566,000

6.39p (4.2p).

The directors say that Hall Barton's business is entirely

complementary to Bridgort's own. Its turnover it about £6m.

they state, and profits for the

year to end-June 1985 were £236,209. Its shareholders'

£236.209. Its shareholders' funds at that date amounted

earnings per 20p sbare of

performed satisfactorily.

not. What it had been doing was exercising an adjudicatory power conferred on it by Granada's articles of association. The fact that the IBA had a

not 10 grant the franchise to Granada.

In his view, however, it had

statutory power to act in such an adjudicatory capacity under the Granada articles did not hring the matter into the field of public law or make it susceptible of judicial review. The judga said that his ruling

oo that aspect of the case was sufficient to dispose of Rank's claim. He went on, however, to deal with the other arguments that had been put forward.

In his one finding in Rank's favour, he said that, had it been necessary, he would have held

under powers conferred on would have induced the IBA sufficient interest in the matter, as a large shareholder in Granada, to give it the legal standing to seek judicial re-

Rank's principal argument bad been that the IBA acted unfairly in not giving Rank an opportunity to make representations hefore the decision was

taken.

The judge said that he could find no unfairness. The IBA had acted bonestly and in good faith. Its chairman, Lord Thomson, had not promised Rank that it could meet the IBA hefore a decision was taken.

Rank bad not had a legitimate expectation that it would

mate expectation that it would bave a chance to put its case to the IBA.

Rank had also complained that the IBA bad followed an inflexible policy not to allow a change of control of a successful programme contractor which, Rank argued, was incon-sistent with the IBA's duty under the Broadcasting Act The judge said that the IBA's decision could not have heen

mechanical operation of an inflexible policy. It was entitled to bave a general policy that changes in the control of viable

were unacceptable. In every case the IBA had to consider whether there was any reason to depart from policy. It had done so in this case, the judge said. Rank is to appeal against the

and woven products, has im the six months, while the that, contrary to what the IBA Rank proved pre-tax profits by 43 per marine companies dld well in had contended, Rank had a ruling cent in the six months to endJanuary 1986, from £646,000 to Pearsall, a manufacturing sub-NOTICE TO LOMBARD DEPOSITORS **14 Days Notice** 12.81% 8.97% **Cheque Savings Accounts** 8.59 % 12.28% 7.10 % 10.14% interest is credited on each published rate change, but not less than half yearly. _ombard North Central 17 Bruton St. London W1A 3DH.

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TNIK NAKS WHEAT (**CRUNCHIES SUNRISH CARAMAC MATCHM**

Profitable growth in the UK and North America

Results in Brief Trading profit_____ 101.3 22.0 Interest. Profit before taxation_____ <u>74.5</u> <u>79.3</u> <u> 18.6</u> 60.7 Profit after taxation____ 0.1 Preference dividends_____ Profit attributable to ordinary shareholders before extraordinary items____ **36.0p 36.0p** Earnings per ordinary share___

NE MINT

* 1985 pre-tax profits up 6%

OLO TO

* Total dividend up 11%

* UK trading profit up 16%

* North American companies increased profits

16.5 * Capital expenditure at a record £71.5 million

<u>0.1</u> ★ Trading margins up for fourth

successive year 57.9 * Commitment to growth by improved 36.0p returns from existing businesses as well as appropriate acquisitions

Rowntree Mackintosh

FINANCIAL TIMES SURVEY

Friday March 14 1986

Design services are in demand as never before but are still vastly underused. Ambitious companies, led by the high street retailers, are discovering the commercial power of this key strategic ingredient. But for the majority the message has yet to get through.

Power beyond the images

FOUR YEARS after the London stock market first began to take design seriously, and Mrs Thatcber launched a long-running campaign to persuade British managers of design's commercial power, there is no longer any excuse for thinking of it as "mere styling."

—and as the Burton Group and Habitat-Mothercare have shown more recently in Britain's high streets—the power of design extends far beyond facades and images. In services and manu-facturing alike, it reaches deep into marketing and product stra-

2.81

Strict)

infinences nearly all aspects of manufacture," He goes as far as to claim that "for every pound spent on design, the businessman will get a better return than on anything else."

As Mr Butcher told a gathering of Britain's, top, industrial seems of Britain's, top, industrial seems of Britain's at a "design commit will, probably see more official ment conference" In London a minuscular trails and semi-official promotion of subgrated and medium-sized companies, which is administered through the Design Council and booklet on the role designers piled by the Design Council and busines piled by the Design Council and busines of the Industrial Society with backing from the Manpower services Commission, the packs are already in use within several companies, including and medium-sized companies, which is administered through the Design management quality ested in ming to a support for Design, which is administered through the Design management quality ested in the Industrial Society with backing from the Manpower services Commission, the packs are already in use within several companies, including and medium-sized companies, which is administered through the Design management quality ested in the Industrial Society with backing from the Manpower services Commission, the packs are already in use within several companies, and medium-sized companies, which is administered through the Design management quality ested in 1983, this backing from the Manpower services Commission, the packs are already in use within several companies, and the Industrial Society with backing from the Manpower services Commission, the packs are already in use within several companies, and the Industrial Society with backing from the Manpower services Commission, the packs are already in use within several companies, and medium-sized companies, business are already in use within the Industrial Society with backing from the Indu

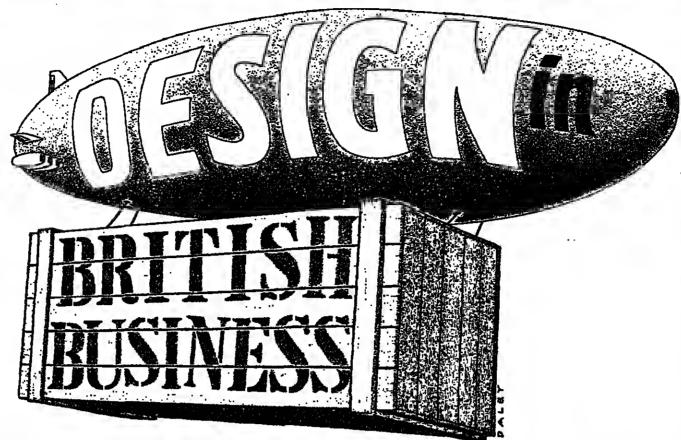
By Christopher Lorenz

month ago, design "is the most effective means of ensuring differences between products in the marketplace—for bankers as much as for engineers, for giant con-glomerates as much as for rural craft companies, and for ser-vices as much as for products."

The explosive growth of almost every type of design consultancy over the past four years is an indication that British business is at last beginning to get the message. This year's Design Council Awards also show that there are much improved product library As Britain's Japanese. Ger-Awards also show that there are man and Italian competitors much improved product lines have demonstrated for decades in a number of manufacturing

A few managers may even be getting the message via the efforts that their children's schools are making to establish design as a socially valuable activity and an integral part of the curriculum; the number of schools like. tegy.

In the words of John Butcher, the number of schoolchildren taking O-level exams in craft design and technology (CDT) influences nearly all aspects of



Prince Albert's Great Exhibi-

They include:

Design Commitment drive.

Sparked off hy last month's London conference, organised by the Department of Trade and Industry, more than 20 of Britain's largest companies have agreed to start promoting tha design message downwards and outwards by holding semi-nars for their principal sup-pliers. Another three dozen will shortly be discussing the idea with the Design Council. Design Awareness Campaign. Shortly after Easter more than 1.5m readers of The Sunday Times and the Economist, plus over 40,000 selected managers, will receive a Design Council booklet on the role designers can play in commercial success.

bas been the demand that it has heen enlarged several times: the 1985-86 spend will he £6.3m, A stream of new initiatives with £7.5m carmarked for is being prepared and launched. 1986-87.

So far more than 3,500 projects have been undertaken, 60 per cent of them for first-time users of design consultants, Roughly the same proportion have continued using consultants after the end of the subsidy period. About a third of the projects have used engineering designers ing designers, and about 40 per cent industrial product de-signers, with the rest split between fashion, knitwear, packaging, literature graphics,

Design management training packs, for managers and designers in large as well as small companies. Newly compiled by the Design Council and the Industrial Society with backing from the Manpower Services Commission, the packs are already in use within

panies more broadly in establisbing better design management procedures. A draft pro-posal should be ready within the next year.

 NEDO working porty on design. Since last autumn a high-level NEDO working party has been mounting the most thorough effort yet made to learn how Britain's most successful foreign competitors manage design, and to apply the

A set of detalled "action packs" will he developed with the various industry Economic Development Councils after the working party's general recommendations have gone to the full NEDC in the aummer.

With the British Institute of Management and several small business agencies also begin-ning to introduce design advice and support into their range of activities, the "design into business" bandwagon is well and truly rolling. Even the EEC Commission is becoming inter-ested in the subject, and com-missioning several research pro-

On the education front too, the picture is vastly more promising than four years ago. Then, London Business School was virtually the only institution teaching design to managers.

Now Manchester Business
School has joined it, along with
a growing number of polytechnics and the Open University.

The other side of the coin the teaching of business skills to trainee designers — is less bright. But a number of design colleges, including the Royal College of Art, are making rapid progress from a near-standing start.

Among various new initia-tives to give young designers vital experience in industry are a placement programme run by the Royal Society of Arts, and Design into Business, a joint award scheme for the education profession and industry.

But very much more still needs to be done to attune design graduates to the attitudes and disciplines which are needed if they are to work effectively in business teams with hard-bitten marketers and

Vertical growth of consultants

By Feona McEwan

TRYING TO gather up the threads of Britain's talented and idiosyncratic design industry is like trying to trap rain-drops in a sieve. It is so fragmented in structure, and its disciplines so disparate, that it cannot he readily pigeonholed or contained.

But though even the most hasic production and market share statistics are lacking—it is still a very young industry—there is no doubt that the market for commercial design services is both hungry and

enjoyed near vertical growth. Fitch and Co, for instance moved from £2.8m turnover in 1980 to £6.9m in 1984 and from a staff of 70 to 250 last year.

The Michael Peters Group bas expanded even more rapidly, from £960,000 in 1981 to £6.2m last year, and from 15 staff to 150. In size, the leading UK companies now outstrip their parts, and demand from over-seas clients makes them an

influential international force. The practices range right across the scale, from the tradi-tional "cottage industry" twoperson husiness to the multi-disciplinary top "institutional" group practices such as Fitch & Co, Aidcom, Pentagram, McColl, Conran Associates, and Michael Peters Group.

Behind the drama of the past five years lies a combination of market forces, changing consumer needs and a sympathetic government. Together with the emergence of the designer as businessman, these have helped prise the nation's distinguished mentality and propel it beadlong into the commercial ring—though that is not to deny the purists in the business who shun the new commercial climate,

One symptom of the shift is the industry's main representa-tive body, the Society of Indus-trial Artists and Designers,

which is finding its feet after a period as a dozing glant. With 8,000 members it claims to be the largest body of its kind in the world. Under its president Michael Wolff, there is a plan to change its name (to the Chartered Society of Designers); restructure and hypothesis. restructure and hroaden its

One initiative is a proposed Centre for Design Studies to document the industry. This could go some way towards filling the gaps in the industry's information flow, providing figures on such areas as the total number of practitioners, the amount of foreign revenue generated, and the industry's value as a part of the country's

The emergence of the dissi-dent Design Businesses Associ-ation at the end of last year. anon at the end of last year, initiated by a group of graphic designers who felt the society represented individuals more than practices, was, Wolff admits, "mainly a symptom of our lack of speed in the market place." For the moment, the DBA has been desern into the place." For the moment, the DBA has been drawn into the society in an attempt to pool energies and aims, and thus present a strength in force.

There are also signs of increased professionalism overall. In line with more mature communications industries, such

communications industries, such as advertising and even public relations, the design world has discovered marketing. Internally the leading design com-panies now have public relations officers keeping their name in lights, aware that credibility can come with publicity, and sets of smaller designers are banding together in visible

groups for promotion purposes. The more ambitious bave installed non-designer talent in key positions, such as marketing directors and research directors. to steer corporate growth and service the clients.

In step with the commercial

world they service, design consultants competing for business are more likely to talk marketing-speak—market share, consumer needs, corporate positioning—rather than colour

CONTINUED ON PAGE 3



practical design. Just the sort of innovation that makes small businesses grow large.

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which have innovative ideas or products – and bring them into the public eye. With a cash prize of £10,000 for the overall winner, advertising and a major exhibition of the top fifty entries, it will also encourage these small businesses to grow.

For more information on Design for Growth '86, and entry details, write to the Design Council, 28 Haymarket, London SW1Y 4SU.

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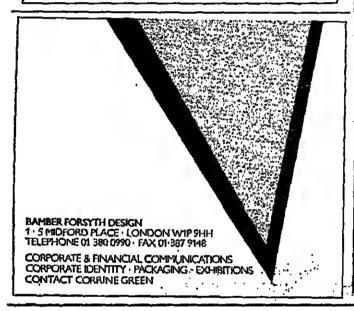
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"VERBATINA CLIENT COMMENTS FROM AN INDEPENDENT MANAGEMENT CONSISTANT'S SURVEY



CONRAN

High Street fad

Retailing

RUPUS OLINS

CAN THE retailing world's current enthusiasm for design last? Investors can be forgiven for having asked the question several times over during the

First Ralpb Halpern's Burton Group takes over Debenhams, the department store chain, and the department store chain, and promises it revitalisation by design; then Sir Terence Conran's Hahltat/Mothercare merges with British Home Storea and vows to intensify BHS's existing programme of store redesign. It has been the same with almost every move in UK retailing over the past

To cautious investors, at least, all this may sound fine in theory but unconvincing in practice. For if every High Street leviathan starts to try to out-design the other, does that not spell the end of the design fad?

The criticism is significant in that it takes as given the enormous recent growth in retailers' budgets for design. But the rise of design in retailing is a phenomenon which, far from being confined to fashion chains, extends to every sub-sector of the retail

Stafford Cliff, Conran Design Group's graphics chief, helped re-launch Virgin Records' enormous Oxford Street emporium; at Fitch & Co, design director Michael Howard's staff have, at Southampton, helped the Auto-mobile Association completely revamp its High Street image.

From shopping centres, edgeof-town developments and supermarkets through to the ubiquitous multiples, designers are being called in to re-fit shells and pull in more cash, credit cards and — coming soonish—electronic funds too.

To critics this just shows that the market for retail design has overheated. But, while the prodigious growth in retail design contracts of the past year cannot long be continued, the medium-term prospect for retail design seems excellent. For Britain still has

consumer expenditure, ensures for retail design considerable prominence and longevity. For every Laura Ashley, Benetton or Bodyshop there are Rum-belows and more Rumbelows. The market for retail design is

The market for retail design is still wide open.

Yet it is only a further stiffening of competition that will compel the great majority of British retailers to adopt good design, not merely as a cosmetic move but as a central part of their composite Strategy. part of their corporate strategy. Plenty of signals exist to suggest that such competition will grow still more intense.
Conventional retailing is
coming under attack from
booming mail order bouses, and
—in the longer term—from
"teleshopping," or the purchase of goods via telecomunications networks linked to home tele-

To survive, the retailer must Identify his target markets and then design the shops, sales force and even merchandise around them; the growing sophistication of many retailers' ranges has not been matched the state of by a more sophisticated ataff, and sales have suffered accord-

ingly. Like Sir Terence Conran, who waxes lyrical about the sophi-stication of department stores in the US and Japan, Fitch's Michael Howard contends that the "seven-day society" of Japan shows what department stores could be like.

Japanese stores run to 20 storeys high and have their hargain basements on the top foor, but still work famously. In Tokyo department stores, Howard concludes, sales are buoyant because "the design excitement is high, the change of scores continuous and the of scenery continuous, and the service is superb. Giftwrapping is almost an art form."

Without good products on display in them, even the most carefully market-targeted shop designs will not succeed. In this sense, retail design can and should act as a stimulus for a wider improvement in British a wider improvement in Britiso
packaging and product design.
At the National Economic
Development Office, a number
of discussions are being held
about how enlightened High
Street concerns can pressure industry to make better products. They are in a good position to start doing so.

a "great unwashed" of position to start doing so.
retailers who have yet to be Jomes Woudhuysen is Cointroduced to what design can
do for profitability.
That fact, coupled with Central School of Art & Design.

GROUP

More than a Retailers using their power

Packaging

RUFUS OLINS

PACKAGING, the most estab-lished and least respected of the design disciplines, is finally coming of age, thanks mainly to a shift in attitude among mass market retailers.

Trading on the confidence that Marks & Spencer and Sainsbury have established for their own-label products, W. H. Smith, Boots and virtually all the multiple grocers are now making heavy use of packaging to strengthen their stranglehold on the manufacturers.

One of the most remarkable One of the most remarkable re-packaging programmes is being carried out by Tesco. More than 60 design consultancies have worked on the project over the past three and a half years, with a total of nearly 1,500 new designs being vetted at weekly meetings with Tesco's chairman, Ian MacLaurin. This schedule is now accelerating. Unlike Fine Fare, which launched a similar programme coinciding with a move up-

coinciding with a move up-market in 1982, the Tesco house brand is not immediately identifiable. Own-label pro-ducts are simply packaged to compete within their sector, whether it is meat, cereals or

its work on Robertson's jams,

The packages have little in common, except for the fact that they are all making contribu-tions to Tesco's improved

Tesco's chocolate brazils. launched as a Christmas line to compete with Payne's original product, proved so popular that they have been maintained as a permanent brand and Payne's, the market leader, has been delisted.

Fine Fare bas followed a similar route and the first of Asda's own range of new-look wares is now reaching its stores. For manufacturers, the impli-cations of all this are daunting.

Retailers, whether or not they use a uniform style are now using packaging to make individual statements about their own products and their confidence is growing.

W. H. Smith, for instance, is w. H. Smith, for instance, is now taking on the likes of Parker and Sheaffer with the launch of a discreetly-branded range of up-market writing instruments packaged by Newell and Sorrell.

Newell and Sorrell.

David Laing, a manufacturing analyst at Henderson Crostbwaite, believes that only a few very big brands and specialist products will survive what has become an unrelenting onslaught. "The middle ground is being annihilated and it is becoming increasingly

dog food, has developed a range difficult for manufacturers to D'Or. of coffee, pasta sauces and enter new areas because it is Sed the retailers that are develop for retailers that are developed a range of the retailers that are developed a range of the

Penhaligon's Crabtree and Fyelyn and Elsenham Foods enjoyed increased success partly because their packaging admirably reflects the quality and nature of their products.

Howard Milton, one of the founding partners of Smith and lilton, is concerned at the conservative attitude of many manufacturers and says that packaging can work completely effectively only if it is viewed in context.

"Packaging, like corporate identity, is about finding the right tone of voice, It is not about slapping some fasblonable graphics on a box.

"The business has certainly

not peaked yet—there are still too many uotapped areas. Household and commodity products are virtually untouched."

On big brands, however, many packaging specialists still complain that they are brought into projects too late to be really

effective.
One of the more enlightened companies. International Dis-tillers and Vinters, has found that packaging has, made a clear and substantial contribu-tion to the success of many of its products, including Bailey's Batchelors' soups and Winalot it is becoming increasingly Irish Cream, Malibu and Piat

enter new areas because it is the retailers that are developing the markets."

Sedley Place Design worked for months on one of IDV, most recent launches, St Leger, In relativaly secure specialist a "cooler" made from white niche markets the power of packaging is demonstrable and can protect a brand's position. Penhallgon's. Crabtree to carry the authority of a legitimate alcoholic drink when packaged Furthermore it had

to have the potential to become a major international product Mixtures of white wine, fruit juices and mineral water have carved out a £260m market in the US in just three years, a development which has prompted every major UK drinks manufacturer to push a product into the field.

St Leger, packaged in a distinctively-shaped black glass bottle, has been on sale for only just over a year but already outstrips its half dozen rivals and is poised to enter a number of continental European

Terence Griffin, a director at Sedley Place Design, argues that successful design of any kind requires a great deal of investigation and discussion if it is to fulfil its function successfully.

"Graphics, materials, shapes and colours are simply the means by which one communicates a product to its audience.

Bebind that lies costing, distribution and positioning. Unless you get the strategy right it is

Seeking change behind the logo

Corporate identity

FEONA MCEWAN

SOME COMPANIES still believe that corporate identity is a new suit of clothes: a new logo, a fresh lick of paint, a stylish letterheading, an arresting foyer. But cosmetic appeal is only half the story. The emphasis these days is not only on how a company looks, but on on how a company looks, but on how it bebaves. "Corporate identity reflects the structure visually." says Jim Nortbover of Lloyd Northover, "but also the corporate culture beneath."

identity. Northover says. The focus on total communication things are now changing, programmes, both internal and In product-led comp external, is a concept that most corporate identity starts with UK companies still fail to grasp. the product, argues James

sight of their corporate identity and recognise too late their lack of visibility among the audiences that matter—the customers, shareholders, staff. or business community and opinion formers.

Performance

"A corporate image is influenced more by the way the 'phones are answered, the performance and reliability of product, speed of delivery, quality of after-sales service, attitude to the environment and personnel policy than it can be by the logo on the notepaper or truck sides," Northover argues. Gordon Watson of McColl caused a stir when he told a caused a stir when he told a conference that in the retail food business the only person with whom the public has contact is a 17-year-old girl who chews gum. and yet she probably has more effect on the corporate identity of the company than the chairman. pany than the chairman.

Everyone knows the value of the badge, the sign, the type-face. But on its own it is impotent. If the product is not right the consumer will not be satisfied. British Rail and



consumers noticed - though

UK companies still fail to grasp. the product argues James
The current spate of merger Pildith, founder of Aidcom
mania has highlighted the plight
of companies that bave lost
sight of their corporate identity of the company the consumer
and recognise too late their lack
of visibility among the

Design of the product tells you about the company. When you buy a Sony, a Braun, a BMW or a Volvo you are not simply buying the product, you are buying the reliability, service and quality the company

stands for.

The argument holds as strongly for the service sector. In the light of City deregulation, financial companies will wind of he forced by the chill wind of competition to consider their corporate image as a matter of

The public space in banks, for instance, or the reception or waiting room, showroom or company image whether they like it or not. Michael Wolff president of the Society of In dustrial Artists and Designers suggests that a government that pushes the design-for-business message should look to its own buildings—many of which are rundown and shabby—and prac-tise some of what it preaches.

Sainsbury, for instance, would not keep its customers queuing in the cold for hours as does the Department of Health and

A company must be sensitive British Airways are two obvious Social Security, he says.

A company must be sensitive British Airways are two obvious Social Security, he says.

Share price. Though the UK has a long way to go to match.

The clearing banks have the American mentality. They has, makes, does and says is an ing was improved but the certainly got the message. All the dot to be more status-conexpression of its corporate service bas lagged bebind—and four, and the TSB too, are scious and aware of the corporate.

creasing focus. Staff who are informed and involved are motivated. And internal commnnications, as Northover points out, soon becomes external communications as people talk about their work and their company. "The best inside it," says James Pilditch.

Within the corporate com-munications sector of the design industry, internal com-

munications are an area of in-

Consultancies report an in-creasing involvement of top management in decisions about companies' identity which shows a growing understanding of its strategic relevance and how it can affect motivation, performance and ultimately share price -- Though the UK has a long way to go to match. four, and the TSB too, are scious and aware of the cor-currently undergoing major porate being," suggests Jan Hall long-term exercises to revive of Coley Porter Bell.



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CONTINUED FROM PAGE 1

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This still comes as a shock to many client companies," says Gordon Watson, a director of McColl. The intuition obout the marketplace and its needs that drove the design business in the 1950s has been replaced by the scientific database" approach

waking up to the fact that the design process is not o bolt-on accessory, but an integral and permanent cog in the company

wheel.

It affects the core of the company business, how it presents itself—not only in annual reports or product packaging—but in staff behaviour and consumer environment.

"We've been slower to grasp the marketing process," says Wolff, "than, say, advertising, but we are grasping it now. In o way our job can be more fundamental to the success of a company.

a company.

"More sensitive criteria are

play now — where before
clients might have chosen a
new building say, for its imposing stature, now questions are asked such as will it enable people to work to their best, will it reflect the sort of company we are and so on."

The fault has lain partly within the industry itself, its lack of conesive spirit concentrating on introverted niggling instead of pushing the common cause. Rodney Fitch for one is concerned about what he sees as lack of maturity in the business.

"Advertising by comparison believes in the wholeness of believes in the wholeness of the industry, the mission to grow good advertising," he says. "I don't think that permeates design. We are still full of people-designers, inves-tors, commantators — who see us in tiny tots numbers. This

ns in tiny tots numbers. This only fractures: the industry instead of closing ranks. I wish there was more togetherness than fractured fieldoms.

"Having said that, we've made enormous strides. Growth until two years ago was self-generated, now we're senuinely heard in the corridors of power."

"If you strip away the magic," says Fitch grudgingly, "design can be regarded as simply another business resource." But this implies that design should have a platform at the highest level of manage-

to ignore this central marketing

some industry observers fear Some industry observers fear there is a danger that the current spotlight on the industry would wrongly hype it as the panacea of all company ills. Fitch is worried obout the demands this is likely to place on consultancies — "long-term strategies are not built on the basis of panaceas."

"We tell clients," says Gordon Watson of McColl, "that clients print buyer would ring up and order a brochure. Anyono who reaches for a design consultant nowadays is more likely to be met with a complex analysis of the problem, customer needs, corporate strategy and so on. The look of the thing is treated later.

"We find clients are using us increasingly as strategic planners of their husinesses in at the ground level," Michael Peters claims. Companies ore waking up to tha fact that the companies in design manage-ment. She suggests that unlike the classic marketing disci-plines, such as advertising and

> The government-backed Support for Design scheme
> operated by the Design
> Council for introducing componies to consultants has
> unearthed an alarming ignorance of the basic skills of
> managing design from the
> writing of briefs, to the monitoring of progress to the handling
> of budgets. It is an area crying
> out for further education. out for further education.

Budgeting for design present managers with a major prob-lem. In most cases design still tends to be viewed as a cost.
"The fact that it can be the key to added-value products, and therefore better margins, tends to be forgotten," says one leading consultant.

"But corporate and brand identities such as the Guinness toucan—or the Lloyds' black toucan—or the Lloyds black borse—can go on contributing to company awareness and profit long after the designer has finished his work," he argues, so design could be seen as a positive balance sbeet asset.

Identities have been extremely important in the current take-over battles involving Allied Lyons, Distillers, Guinness and Elders IXL. Another weakness is the fact that monitoring effectiveness is still fairly unsophisticated compared with the monitoring of advertising

in a monitoring of advertising campaigns.

In terms of structure, the design businesses polarise, broadly speaking, into the multi-disciplinary giants at the top end with their one-stop-shop appeal, and the smaller practices whose strength is their tices, whose strength is their specialisation, and whose impact on their clients' businesses can be far greater than their size

It is now not uncommon to find under the same roof, architec-ture, product design, interiors, at the highest level of management.

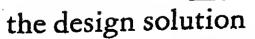
As areas such as corporate identity and packaging escalate wth importance in the wake of City deregulation, merger mania and cut-throst competition, only the losers can afford implementation, right down to

our dients include:

Austin Reed

designers for business Allied Breweries

The Boots Company British Olivetti British Telecom Capital & Counties Coloroll Group Cullens Holdings Alfred Dunhill Grand Metropolit Guardian Royal Exchange Ass Hardepool Borough Council John Harvey & Sons Imperial Foods Marks & Spencer Lancaster Holdings MEPCLtd National Theatre Peachey Property Corporation Pendle & Rivett Pinneys of Scotland Teesland Development Company Trafalgar House Travellers Fare



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Quoted commercial design consultancies +

	Price	Year	Design	capital- isation	His	oric Yield		ive perfe	
	(p)	end	activities	(£m)	P/E	(%)		3 mths	
Addison Page*	250	Dec 1984	Graphics + Annual reports	40.6	‡38.5	1.1	+12	+ 9	п.а.
Aidcom International	57	Dec 1984	Multi-discipline	13.6	‡19.0	2.5	+ 6	- 7	-50
Craton Lodge and Knight*	115	Sept 1985	New product development	6.5	24.0	2.3	-15	÷18	45
Fitch and Co. Design Consultants	425	Dec 1984	Retall and design	21.7	‡35.7	1.8	- 5	– 8	-15
Holmes and Marchant*	470	Sept 1985	Graphles and packaging	20.4	26.0	1.1	+ 1	+32	D.3.
John Michael Design*	61	Mar 1985	Retail and graphics	5.0	14.9	2.3	- 8	-13 .	p.a.
Michael Peters*	193	June 1985	Multi-discipline	11.9	22.2	1.9	- 5	-11	-39

Quoted on the Unlisted Securities Market.

Excludes engineering and textile design consultancies.

Price-earnings ratios (P/Es) are artificially high for the three companies whose 1985 results

the last detail of the company logo.

"Clients," say Esmond Wyatt, marketing director of Saunders Bastahle, Brewer and Andrews, Pastahle, Brewer and Andrews marketing director of Saunders Bastahle, Brewer and Andrews, practice offering the persons' persons' producing the persons' producing the persons' practice offering the persons' practice

ment capability."

The ability to offer clients a "cohesive totality of economy of effort, bence more efficiency," is claimed by Flona Gilmore, marketing director of Michael Creasingly sophisticated, future abroad. Uptil more companies product devalopment, there is no one for managers to learn from.

The government-backed Support for Design operated by the Design Council for introducing componies to consultants has of effort, bence more efficiency," come from a design-sed outnit. As the industry grows in still end up plying their trade companies to consultants has of effort, bence more efficiency," and too many designers and too many designers. As the industry grows in still end up plying their trade coreasingly sophisticated, future abroad. Uptil more companies to entry for startup design practices are likely to vious benefits of taking design practices are likely to vious benefits of taking design technology, the need for costly databases as well as the decontinue to deny themselves a sharper cutting edge.

Mixed market reaction to buoyant sector

their services, design consul-tancles paradoxically have been poor performers in the stock market over the last year. There have been two reasons for this underperfor-

mance:

◆ Specific disappointments in the results of two of the companies, Aidcom International and Craton Lodge

 A proliferation of investment opportunities in the marketing services sector. The number of design com-panies increased from five to seven during 1985 (see table) and marketing services companies from 17 to 30. This marked increase in number has re-

increase in number has removed the unique selling proposition of the sector for investment purposes, and consequently average ratings have declined.

Within the overall market, retail design has been firm, thanks to the continued buoyancy of retail spending and the revolution taking place in the High Street, our mented by the fast developmented by the fast developmented by the fast develop-ment of new, and refurbish-ment of old, shopping centres, and allied travel and leisuro complexes.

A greater realisation of the low cost benefits of packaging

The City's view NEIL BLACKLEY

design, a shortening of the packaging life cycle, and a gradual move to global co-

gradual move to global co-ordination in certain product areas has continued to be good for packaging. The graphics/corporate identity/annual reports area has been particularly bnoyant and should remain so with the spate of mergers and acquisi-tions taking place and the space of intergers and acquisitions taking place, and the revolution in the financial services arena.

Industrial product design, meanwhile, still requires a lot

of further education as to its merits, but it has certainly been helped by the Thatcher factor and the Support for Design scheme. Lead times have lengthened in the new product development. product development area, but the discipline is widening fast into business sectors outsido fast-moving consumer

There is also a trend, often client-led, towards the co-ordinated handling of different areas of design or market-ing services under one roof. Advertising agencies and

sales promotion companies have been leading this diversification drive. Some design houses, however, such as Michael Peters and Aidcom, have moved towards an inte-grated design approach,

grated design approach,

The prospects for the design sector in 1986 are bright, and the stock market participants should perform well off o reduced rating base. It is already known that the retail design company McColl will be joining the clan in 1986, and other possibilities for 1986-67 include Wolff Olins and Sannders Design. Pentagram measurements Design. Pentagram meas-while, remains unconvinced of the merits of a public

The discovery by many con-sultancies of the value of having a marketing director has brought them immense commercial benefits. It is to be hoped that design con-sultancies will soon discover the benefits of managing their own strategic development.
The disciplines imposed upon
public companies can often quicken this process, and create a greater respect for the merits of design and design consultancies on behalf

of the client.

Neil Blackley is marketing services analyst at James
Capel and Co.







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Skeleton on a budget

A LONG wait to borrow a skeleton for lessons in the London primary school where Mr Richard Miller taught led him to design his own, using skills in mathematics and origami lessons of the spine to prevent war occurring as it does in the human back."

To manufacture and market lessons of the spine to prevent war occurring as it does in the human back."

To manufacture and market lessons of the spine to prevent war occurring as it does in the human back."

To manufacture and market the product. Mr Miller went

The full-size, articulated male skeleton which is the result is made in two weights of printed card and takes 10 to 14 hours to assemble from 10 flat sheets. It is in demand as a teaching aid in schools, and among students up to university level. More than 7000 dents up to university level. More than 7,000 have been sold since it was launched at an international fair in March

The judging panel was impressed that such an accurate representation of the human skeleton could be achieved at a relatively low cost—it sells for £25 against about £250 for plastic models, while the real thing is now virtually unohtaingle.

ahie.
Mr Miller, aged 39, conceived the idea seven years ago. He made detailed anatomical drawings, studied real hones, drawings, studied real hones, the degree of realistic articular and developed techniques of tion which can be achieved," converting the three-dimensional bones into two-dimenshoulders ahrug, the head nods

graphic instructions-students learn the position and function of every bone in the body.

Movement of joints is close to the real thing, with the correct hinge and ball socket joints and turning range of the head, for example. Even the rih cage can be expanded and contracted to approximate the movement of respiration. Plastic and real bone skeletons have their ribs wired together. "The skeleton is unique in

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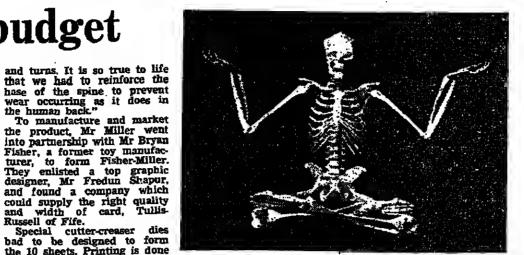
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the product, Mr Miller Went into partnership with Mr Bryan Fisher, a former toy manufacturer, to form Fisher-Miller. They enlisted a top graphic designer, Mr Fredun Shapur, and found a company which could supply the right quality and width of card, Tullis-Russell of Fife.

and width of card, Tullis-Russell of Fife.
Special cutter-creaser dies bad to be designed to form the 10 sheets. Printing is done by Grillford of Milton Keynes. Collation, packing and ahrink wrapping is carried out at Fisher-Miller's new factory at Malton Wastehing. Malton, Yorkshire. The kit sells in Britain The kit sells in Britain through museums, anatomical model suppliers, craft and hobby shops and medical bookshops. It is also selling in the US and Canada, Switzerland. Wast Garmany and Iceland. Agreements have been reached to distribute in the Far East, including January.

including Japan, Michael Strutt



Keyboard aid for theatres

FEW THEATREGOERS are screen showing the current likely to give much thought to status of all the seats. The plans what bappens when they book a seat. They simply want to be for example, some seats have to

But these days the box office paper plans covered with hieroglyphics are rapidly being replaced by graphics-based computer systems of the kind which have just won Space-Time Systems of London the local paper land, presses the "offer" key and the plan will then show the best seats available at that price. If the creation of the land price is the local paper land price is the local paper land price. If the creation is the land price is the land price is the land price. If the creation is the land price is the lan

Council Award.

Instead of marking the plan and using other paper and pencil aids, the box-office staff rese a screen and keyboard terminal.

Class its launch three years

position until ne agrees.

A choice of payment method is then made hy depressing "cash," "cheque" or "credit card" keys and the ticket is printed.

A valuable feature of BOCS

Since its launch three years ago, BOCS (box office computer system), bas heen surprisingly successful in the rather tradition-bound theatre world. The market in general bas been activated, so that the number 1981 to over 80 today.

COMPUTER SOFTWARE

Space Time Systems claims it has supplied 70 per cent of them and since last autumn the company has trebled its work-force to 75 people. Since start-up in March 1981 it bas won business worth area. business worth over £6m. BOCS is a good example of computer software engineering

applied to a specific market into software writing, however, the STS team used consultants from theatre management to

would be acceptable to the box- Malaysia, Australia, the Netheroffice staff who would have to lands, the US and the UK.
Last autumn STS set up a use it.

The system produces on the

away. First, the user keys in the rifst, the user keys in the giving his credit card number. So far 22 theatres are using the terested, whereupon the appropriate plan comes up of the control priate plan comes up on the

position until he agrees.

that the same seat cannot be sold twice. All the terminals use the same computer memory of computerised box offices in and a sale on one screen imme-the UK has risen from 10 in diately shows up on all the

Previously, only the person in possession of the paper master plan could sell. Integrity had to be paramount in the design of BOCS. It uses two Digital Equipment Company machines, usually in the PDP 11 minicomputer

series.
Flexibility is also an import ant requirement. For example, the system can deal with a number of theatres and their

Instead of plunging headlong ato software writing, however, he STS team used consultants from theatre management to make sure that the system 120 theatres in Hong Kong, would be acceptable to the box.

bureau system for small theatres unable to afford the £60.000 to the traditional paper plan.

This, with the use of day-to-day jargon when communicating with the computer, makes BOCS easy for staff to use straight bureau system for small theatres unable to afford the £60.000 minimum price of BOCS. Theatregoers simply telephone a number the theatre has previously advertised and are connected to a BOCS operators who offers seats. The caller pays by

Litter bin that saves work

DURABLE CONSUMER AND CONTRACT GOODS

A TYPICAL litter bin can bold a quarter to half a hundred-weight of rubbish, so with, say, weight of rubbish, so with, say, 10 full bins in a retail store it is possible that at the end of each day someone could have up to 5cwt of material to shift.

And after the 100,000 spectators at a Wembley football match bave drifted away, 5 tonnes of litter are left behind.

To empty standard bins operto empty standard nins operators have to lift the rubbish up to the top of the container, on average 30 inches vertically, increasing the risk of hack injury. A further problem with standard bins is that they can be seen to be seen the discovered. be set on fire by discarded cigarettes, or deliberately by vandals.

Now a Blackpool-based con Now a Blackpool-based company, Glasdon has come up with an answer. The Topsy hin has been designed so that only 7in of vertical lift, out of a lockable plinth, is necessary, reducing physical effort by 40 per cent. An optional fire-extinguishing device, fitted inside the cover, consists of a matal plate which consists or a matai plate which is released by a renewable plastic washer that softens rapidly when a fire starts. The plate drops and seals the inner liner, starving the fire of

oxygen. The bin is also an attractiva piece of environmental furni-ture. The basic Topsy bin tiating with British Rail and costs 270 and the Firexpire ver-local authorities to install the

five years. To find what was summer. needed he talked to customers, The co the people who buy and use

Any lock incorporated had to vandal-resistant, easily operated and tamper-proof.
With conventional hins, bubble
gum and matchsticks, for
example, can be used to interfere with locks. The Topsy lock
is deel made so that anothing is designed so that anything which is inserted into it falls



Some companies have used litter hins on high streets to promote a product or their name. This form of sponsorship has increased by 600 per cent since 1980. Others use blus to create an upmarket, "tidy" image on their own premises. That market has grown by over 1,500 per cent in the same

Large stores, such as Sainsbury's, B & Q, and W. H. Smith, now site bins with the company logo in car parks and at the back of checkout areas where customers would otherwise drop unwanted receipts.

sion £8 extra.

The designer, Eric Palmer at Glasdon, was briefed to design a litter bin to be the company's primary product for the next city, ready for the games this

nections with BR, having 1,000 flying hours, 100 times supplied it with hins for its less. national campaign to improve public litter awareness, a cam-paign which, last September, won BR the National Keep Britain Tidy Award, Glasdon estimates that the Commonwealth Games contract is worth £30,000,

Alastair Guild

Seating for the disabled

THE MATRIX seating and body support system is a formable, jointed plastic sheet which can be made into custom-fitted chairs for people with serious deformities or disabilities, such as paraplegia and retraplegia.

The sheet consists of a series The sheet consists of a series of star-shaped ball and socket joints which allow movament while a specialist fatter forms it round the patient. The joints are then clamped with a screwdriver, and the chair mounted in a frame or approved wheel-

The idea was originated hy Mr Steven Cousins, aged 36, a research associate at the department of mechanical engineering. University College London. It was developed with funding from Action Research for the Crippled Child and research assistance from University assistance from University College's hioengineering centre. Matrix overcomes a number of limitations in the normal

time consuming; children rapidly grow out of the fixed shape; and some severely handl-capped adults cannot be subjected to the shaping needed

to make the mould.

The Matrix fitter can see and touch the patient through the plastic joints, which makes the

MEDICAL EQUIPMENT

work easier and more accurate. Finished chairs can be adjusted to take account of growth.

The award judges commented: "This is an exceptional example of a design from an academic research environment which has been translated successfully into a commercial

product. The system bas out-standing merit."

The manufacturer is Clinical

method of making special chairs, which require vacuum-formed plastics. The plastics method is was founded in 1982 to make children and market the system under licence from University College,

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A ROLL OF

Contract to

The company, with a staff of three, distributes the kits after they bave been made in a workshop for the disabled. It also provides training for the fitters, who are attached to hospitals

and insurance schemes.

Mr Phil King 38, the manag-Mr Phil Ring 3s, the hands ing director, says more than 3,000 chairs have been sold in European and Scandinavian countries, the US, Canada, Aus-tralia and Japan. "The system is fully adjust-able and can be used, for

example, to put some patients in a more upright position so that they can gain more bodily control, or to help improve a patient's posture.

Michael Strutt



Stronger aircraft part

ENGINEERING COMPONENTS

ROLLS-ROYCE has won an award for its skill in developing an aircraft engine component which is 100 times more reliable than the part it replaces. This year's award, the company's third in two years, is for the design and production of directionally solidified high pressure turbing hlades for use

in Rolls-Royce RB211 engines. The judging panel thought that again Rolls-Royce had successfully designed and developed a product with a "remarkable reliability record, applying technology with great

First stage, high-pressure turbine hlades operating at 1,225 deg C have some of the shortest working lives of any jet engine components. The original forged hiades used in earlier versions of the RB211-22B large hy-pass fan engine—made of high-strength nickel-based alloy—had a 2,000-bour life, onefifth of that required by air-

award-winning new blades are made of the same metal but have a life of 10,000 hours and a possible life of 18,000 hours.

Mr Simon Byworth head of engineering at the industrial and marine division of Rolls-Royce and former chief designer for combustors and turbines, says: "The life of the whole engine was limited by the life of the forged hlade. There was higher maintenance, bigher cost and more spare engines re-quired as well as disruption to airline operations."

"We were looking to improve the service life of the engine and knew that the performance of these hlades was of para-

ount importance."

Directional solidification is a technique for casting metal into components. Conventional casting leaves a "grainy" structure, with a multitude of metallic grains. This structure leaves components relatively weak, especially wheo operating at high temperatures, as in an aeroengine.

The cooling of the cast metal in directional solidification is controlled accurately. The molten metal solidifies progressively along its length, creating single grains from top to bot-tom. The final structure has no weak grain boundaries.

Casting enabled R-R to design more efficient passages for the flow of cooling air in-side the hlades, making them far more temperature-resistant.

The unreliable forged blades in the RB211-22B bad an unscheduled engine removal rate of 0.13 per 1,000 flying hours. The directionally-solidified ones have all but eliminated un-scheduled engine removals by

Mr Alan Tudor, bead of turblne design at Rolls-Royce, Derby says: "This blade is an excellent example of the team-work between designers, cool-ing experts, aerodynamicists and production engineers."

Lynton McLain

The widest experience in retailing over a number of

years has equipped us with detailed ability in all aspects of design from corporate identity to environmental design

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FT COMMERCIAL LAW REPORTS

Chartered Surveyors' code of conduct is restrictive agreement

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grounds that the charter was granted by the Crown.

The Court of Appeal so held when dismissing an appeal hy the Royal Institution of Chartered Surveyors (RICS) from Mr Justice McNeill's answers to preliminary questions in proceedings against the Director-General of Fair Trading for removal of RICS particulars from the register of restrictive agreements.

Thereafter, in December 1978, at applied to the Restrictive Practices Surveyors of Appeal (Lord Justice Court for an order that the Agreements were certain preliminary question of May Lord Justice Stocker). February 28, 1986.

THE CHARTER and bylaws under which chartered surveyors operate coastituted a multilateral agreement which they accept certain restrictives frame the exercise of their profession, and which is not immune from restrictives practice legislation ou the grounds that the charter was the second in the negative practice legislation on the register of Fair Trading for removal of RICS arreports (RICS) in the care was the second in the negative. The grounds that the charter was the second and management with all bis fellow the grounds that the charter was the second and management with the RICS was constituted by ROyal Lord Latter.

The Judge answered the first quastion in the affirmative, and regulations, considering the mean fortestable by legal proceedings which created moral obligations but which created moral obligations but which created moral obligations but which created moral obligations with other members. Although a member of hardness they also governed bis elective Trade elective Trade relations with the Restrictive Trade relations with the RICS in the agreement of the stances they also governed bis relations with the RICS in the decisar that the agreements were most within the Restrictive Trade practive act 1957 to twith the Restrictive Trade relations was upbeld in the Court of Appeal. Lord Justice Williams, considering the mean fourth of Appeal. Lord Justice Williams, considering the mean fourth of Appeal. Lord Justice Williams, considering the mean fourth of Appeal. Lord Justice Williams, considering the mean fourth of Appeal and at the remay be arrangement; said at the charter was the exercise of the Nettle of Surveyors (RICS) and the provisions were cantively management from restrictives practices legislation on the affirmative, and the provisions were cantively management which th

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persons licensed by the Club was not subject to registration.

The decision was upheld in tha Court of Appeal. Lord Justice Waller said that mutuality was essential—"there bas to be a meeting of minds." Lord Justice Kerr said it was necessary to establish some manifestation of "common will" of the persons alleged to be engaged in restrictive practice.

Sir David Cairns emphasised the contrast between a number of bilateral egreements, and a multilateral egreement. He said "for there to be an agreement between all the parties there must be a meeting together of all their minds."

As conrepts the multilateral

APPOINTMENTS

strable under the Act.

Mr Ferris occepted that the Act did not blod the Crown, but he referred to A-G v Houcock [1940] 1 KB 427 where Mr Justice Wrottesley said that "if an Act . . would otherwise divest the Crown of its property, rights, interest or preroganve, it is not to be construed as applying to the Crown unless . . mentioned . . expressly or by necessary implication."

When one said the 1976 Act

agreement of provides "(1) particulars of Fair Trading concepts of the Redictions was under the Act applies . is subject to registration. (2) The Director General of Fair Trading concepts of the Redictions was under the Act applies . is subject to registration. The Act applies . is subject to registration of the Act applies . is subject to registration of the Act applies . is subject to registration of the Act applied was registration . (2) The Director General of Fair Trading concepts in the registration. It was not in dispute that its fact that the Act applied was a meeting of minds. Lord under the Act applied was provided that every agreement of which the Act applied was provided that every agreement of which the Act applied was provided the respirations constituted or continued to continue the Act applied was a meeting of minds. Lord under the Act applied was provided to the registration of the Act applied was a meeting of minds. Lord under the Act applied was a meeting of minds. Lord under the Act applied was a meeting of minds. Lord under the Act applied was a meeting of minds. Lord under the Act applied was a meeting of minds. Lord under the Act applied was a meeting of minds. Lord under the Act applied was a meeting of minds. Lord under the Act applied was a meeting of minds. Lord under the Act applied was a meeting of minds. Lord under the Act applied was a meeting of minds. Lord under the Act applied was a meeting of minds. Lord under the Act applied was a meeting of minds. Lord under the Act applied was a meeting of minds. Lord under the Act applied was a meeting of minds. Lord under the Act applied was a meeting of minds. Lord under the Act applied was a meeting of minds of the Act applied was a meeting of minds. Lord under the Act applied was a meeting of minds of the Act applied was a meeting of the Act

Devitt Group changes

Horwell, who will continue as managing director. Mr Lawrence Sterling) has succeeded Mr M. J. will retire as chairman and from the hoard of DEVITT GROUP on June 13 when he will be suc ceeded as chairman by Mr E. H. Sharp.

Changes in the senior management organisation of CSR will be implemented over the next four months. The board has decided to appoint Mr W. A. Bennett, Mr and Mr E. F. Herbert as directors under Article 88 from March 6. Mr A. W. McAuley, Mr D. P. C. Sawyer and Mr V. G. Swindon become executive general managers, also from March 6. Messrs. Bennett, Burgess, Camphell, Herbert, McAuley, Sawyer and Swindon will, together with Mr B. N. Kelman as general manager B. N. Kelman as general manager and chief executive offirer, com-prise the executive general man-agement group of the company.

Mr John Thomson has been appointed a non-executive director of THOMAS BORTHWICK. Mr Thomson, who was formerly deputy chief executive of Brooke Bond, is chairman of London and Manchester Group and a director of a number of companies includ-ing J. Birby & Sons, C. Czarnikow, Mackays Stores and Scottisb and Newcastle Breweries.

The following appointments have heen made hy DEWEY WARREN HOLDINGS and L) o y d's hroking subsidiary Dewey Warren and Company as part of its management reorganisation. Mr Chartes Norton-Smith has been made managing director of the company and the group. At DEWEY WARREN AND CO Mr Simon T. Mortison has been appointed chairman, Mr Ian R. Crighton and Mr Anthony Polnting become joint managing directors, and Mr John W. J. Spencer a director. Mrs Carol A. Maccabe has been appointed company secretary. Mr Alfred T. Day and Mr Paul Daly have heen made executive directors (these positions are not board posts).

24 - gir) first beard at Covent HEATRAE SADIA has apointed Mr Andrew Brown to the board. He is personoel director Garden? (5)

and company secretary of Heat-rae Industrial and Heatrod Elements. Mr Arthor Kannedy bas been appointed vice-president of Euro-pean operations by MOLECULAR COMPUTER. He was managing director and remains chief execu-tive of tha company's UK sub-sidiary, which he founded in

Mr P. R. Lawrence has retired as chairman and from the board of Howson F. Devitt and Sons man of the STERLING and is succeeded by Mr J. M. BROKERS' ASSOCIATION. Mrs Horwell, who will continue as and honorary treasurer.

From April 1 Mr Reg Bndd becomes managing director of PPG GLASS (UK). He is sales director and will sucreed Mr David Knowles-Leak who will still retain overall responsibility for the company in his new capacity as sales director, PPG Boussois SA, with responsibility for that company's main European export markets. Mr Knowles-Leak will be based in Paris.

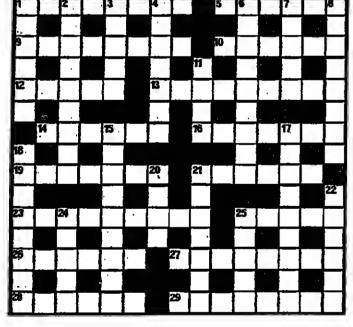
The management board of the BRITISH NATIONAL SPACE CENTRE (BNSC) is: Chairman—Mr Roy Gibson, director general BNSC; memhers: Mr Hugb Fish—chairman of the Natural Environment Research Council; Dr John Houghton—director general of the Meteorological Office; Mr Alistair MacDonald—deputy secretary, Department of Trade and Industry; Mr Tom Mayer—chairman of the UK Industrial Spare Committee; Prof Bill Mitchell—chairman of the Science and Engineering Research Council; Mr Robin O'Neill—assistant under secretary, Foreign and Commonwealth Office; Prof Kenneth Pounds—director of the X-Ray astronomy group at Leicester University; and Rear Admiral John Slater—assistant chief of Defence Staff (policy and nuclear). (policy and nuclear).

Sir Ronald Halstead will join the board of DAVY CORPORA-TION as a non-executive director and Mr Patar L. Waite and Mr and Mr Patar L. Waite and Mr Roger T. Kingdon will become executiva directors from April I. Sir Ronald is a former chairman and chief executive of the Bee-cham Gronp and has recently been appointed deputy chairman of British Steel Corporation. Mr Waite Joine Days from Matthew Waite joins Davy from Matthew Hall, where he has been deputy COMPUTER. He was managing director and remains chief executive of that company's UK subsidiary, which he founded in 1982, one year after the company was originated in San Jose. California.

LINGARD has appointed Mr Nicholas Sherman as marketing director for group companies Standard & Pochin, Watkins & South African companies. He will be based in South African companies. He will remain based in Stockton.

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F.T. CROSSWORD PUZZLE No. 5,972



ACROSS

- 1 Benevolent shaft-sinker?
- 5 Clear account and leave (6) 9 Share a pound—it is reasonable (8)
- 10 Bird using middle voice in 11 Speaking-clock to ring back? 12 Some cameras easily efface 15 Rhizome in burrow with print--- (5)
- using this technique, 17 Youth who made a blonmer?
 petal semi-opens (4-5)

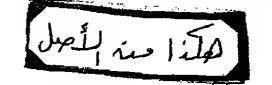
 (9) 14 A cigar put out creates
- 18 A cryptographer's ruse of fungus (6) 16 One learning to get loco-motive on points? (7)
- 19 Depression brought on by 20 Regular, like firm overthe weather —— (7) getting hazy, hy taking 21 Bird who has a beer before in real change (6)
- 23 Tired after bowling spell- 22 Girl with a heavenly bodyand blown, perhaps (9)
- 25 Clwyd town used by old strikers? (5) 26 After outing, do go back and stand for photographer (6) 25 Smithy's counterfeit (5)

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- 27 Wrongly aspire to come between both sides in retaliation (8)
- 28 Eccentrics have status in Civil Service (6) 29 Submarine position of the cedilla, we hear (8)
- DOWN I Hastings, for example, is where the buck stops (6)
- 2 The garlic to make us drowsy (9)
- 3 Harassed flock? (5) 4 Accommodating material of many bands? (7)

Solution to Puzzle No. 5,971

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ORANGE JUICE 15,000 fb. cents/lb

PLATINUM 50 tray as. \$/troy oz

April 419.2 413.5 409.5 4 July 413.4 417.0 413.0 4 Oct 415.6 416.6 416.0 4 Jan 418.1 429.0 418.0 4 April 420.6 423.5 420.0 4 SILVER 5,000 troy oz. cents/troy oz

SUGAR WORLD " 11 112,000 lb, cents/lb

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SIGN EN

LONDON

MARKETS

THE IVORY Coast Govern-

ment has maintained a dis-

creet silence following reports from Brussels that it bas

changed its mind and is now

willing to resume discussions on an international cocoa

on an international cocoa agreement, writes Peter Blackhurn in Abidjan. The reports were made following the return of EEC Development Commissioner, Mr Lorenzo Natali from a three-day visit to Abidjan during which he had talks with President Houpbouet Boigny and Agriculture Minister Denis

Agriculture Minister Denis

Bra Ranos. A joint com-munique between the EEC and the Ivorian Minister of Agriculture stressing the "necessity" to reach a "satis-

factory" agreement in order

to ensure halanced trade in a product of vital economic

a product of vital economic importance for the Ivory Coast and other producer countries. Although London traders remain sceptical about Ivorian intentions confirma-

tion yesterday of the wording of the communique prompted

of the communique prompted the recovery of Wednesday's sharp price fall. The May inture position ended the day \$49 up at £1,545.50 a toone.

Uncificial + or : class p.m.1 - : Highilaw £ per tonne :

Reagan due to sign **Farm Act** changes

By Andrew Gowers

PRESIDENT Ronald Reagan was due yesterday to sign into law a package of small but significant changes in the US 1985 Farm Act, designed to soften the impact of budget cuts on farmers and to reduce hy half the amount to he spent on the administration's export enhancement pro-

The new legislation, produced just over two months after the President signed the original Bill, adjusts the yield formula by which pay-ments to farmers are calculated and could provide the industry with about \$350m per year of extra income, according to some Congressional estimates.

It will also bring some relief to the EEC, which is seriously concerned by the export enhancement pro-gramme. This scheme, nndcr which the Administration was required to spend up to \$2bn over three years on subsi-dising commercial exports by

Metallgesellschaft's 'vote of confidence' in LME

which is struggling to recover from the impact of the tin crisis, yesterday received a welote of confidence from come vote of confidence from one of its biggest memhers and clients — Metallgesellschaft, the West German metals group.

Mr Heinz Schimmelhusch, a director of Metallgesellschaft director of Metallgesellschaft and of its LME ring-dealing subsidiary Metallgesellschaft Ltd, said that it was in the interests of the group and of its customers that confidence in the LME returned quickly. "We will play our part in making it happen as fast as possible."

On Wednesday Metallgesell-schaft announced the acquisi-tion of fellow LME trader Henry Bath and Son from the hard-pressed Australian mining compeny MIM Holdings. In the all-share deal, which valued Metall-gesellschaft Ltd at £34m and Henry Bath st £2m, MIM Hold-ings took a 33.3 per cent stake in Metallgeselischeft Ltd.

deal was "a vote of confidence in the LME." Metaligeselischaft end MIM Holdings were both ring-dealing

THE London Metal Exchange, Metallgesellschaft's direct and less efficient, he said, which is struggling to recover losses in the tin crisis amoun- Mr Schimmelbusch ted to the decline in value in its net position of 2,000 toones of metal. He did not quantify the loss in eash terms. But at pre-crisis prices of £8,900 a tonne the metal would have been worth some £17.8m, at yesterday's price of £4,700 a tonne its value would heve dropped to £9.4m.

He said the company bad decided to sue to recover its money. He described the International Tin Council's default commercial misconduct."

Commenting on demands in the City and in Whitehall for reforms in the way the LME is managed, Mr Schimmelbusch said there was a need for strengthening the existing market, in which ring-dealing members trade with eachother as principals.

ngs took a 33.3 per cent stake a Metallgeselischeft Ltd.

Mr Schimmelhusch said the emergency fund, made up of traders' deposits, could be increased was "a vote of confidence creesed. As could be the minimum capitalisation of ring-dealing members. But Mr Schimmelhusch rejected the argument that the LME needed a clearing house to insulate

firmed that Metaligesellschaft has hought some of the assets and husiness of Andreas Zieringer Metallhuette, Metallgrosshandel, one of West Germany's largest acrap merchants which went bankrupt earlier this year.

Grant for study on Latin American debt

GLASGOW UNIVERSITY announced yesterday that among research grants received re-cently totalling £540,000, one is of £73,000 from the Economic and Social Research Council for e study of the politics of debt renegotiation in Latin America The university said the grant has been awarded to Mr Philip O'Brien and Ms Jacqueline Roddick of the University's In-stitute of Latin American

Studies. The project will focus on three countries: Brazil, with the largest foreign deht in the world of more than \$100hm (£68bn), Argentine \$48bn, and Peru \$14bn.

The research will concentrate on the political and social consequences of repayments, end the influence these exert on

789-60: +8.0 | — 5 months | 8145 - +7.0 | 810-814 Ifficial closing (sm): Cesh 790-1 (774.5-5): three months 815-5-5 (801-1.5): sellement 791 (775). Final Karb close: 214,5-15. Turnover: 7,025 lonnes.

COPPER

ALUMINIUM

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Gesh 680 2 : +11.0: 3 months 1 1002.5 : +6.0 Official closing (srs): Cash 980-2 (985.5-7): three months 1,002-5 (988-90): settlement 982 (987). Turnover, 16,475 tonnes. US Producer prices 88,00-73,00 can't have

LEAD

NICKEL

	PHYSICALS - The London mark
Unofficial + or; lefose(p.m.) — Highilow £ per tonne	opened elightly steedler, met persiste selling throughout the day, and closi essier, reports Lewis end Peat, Closi, pnces (buyers: Spot 80.00b (60.25p)
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58-8. Tumoyar: 2,525 tonnee.	Comment unless E (41) less of

RUBBER

carcases, 3,250 kg. Beef sales: 0 (0) lote of 20 eidea. Promest prices cased slightly due lower physicals and continued hedge silling in light volume, reports Esstent Capital-CCST.

INDICES

REUTERS

DOW JONES

FINANCIAL TIMES

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Mar. 13 Mar. 18 M'th ago Year 280

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Spot 199,98 199,41 - 116.76 Fut. 134,99 134,18: - 120,63

(Base: December 31 1931=100)

Not evallable due to auspension of tig LME

MAIN PRICE CHANGES

In tonnse unless otherwise stated.

Bariey Fut. May, £116.55 .+ 0,19.£115.80 Maise £148.00£146.50 Wheat Fut. May £118.35,.........£118.75 No. 2 Hard Wint:

Unquoted. † Per 75-Ib flosk. c Cents o pound, v May, y April-May, z March-April. a April.

PIGMEAT Y'day + or Y'day + or Blose : p, per kilo (deadweight) April 104,40; -0,48 194,60 +0,58 May 105,80; -194,00; -194,00; -194,00; -194,00; -194,00; -194,00; -194,00; -194,00; -194,00; -195,00; -1,58 July 102,80; -0,58; 195,00; -2,69 406; -102,80; -0,58; 195,00; +5,60 5e0; -107,00; -1,60; 185,00; +5,60 Ruala Lumpur Tin Market — Clase: 17.47 ringgit per kg, down 0.02 ringgit.

MEAT COMMISSION—Average lat-stock prices at representative markets, GB—Cettle 97.83p per kg lw (-0.19). OB—Sheep 218.28p per kg est dew (-1.17). GB—Pigs 78.40p per kg lw (-1.88).

Unolficial + or lelose(0.m.) — High How

Official closing (em): Cash 427.5-8 (424-5): three mentho 440.5.1 (436-7): sertlement 428 (425). Final Kerb close: 439.5-40. Tumover: 2,800 tonnes. Ue Prime Western: 30.50-35.75 cants per

GOLD BULLION (fine ounce) Mar. 15

GOLD AND PLATINUM COINS

Krgrand, \$58314-3834, (£243 2421217)
12 Krug. \$183 18414, (£12512-19614)
13 Krug. \$183 18414, (£12512-19614)
13 Krug. \$573-8812, (£253-2612)
Mapideal \$8604-36113, (£2475, 2474)
1310 Argel \$3540, \$5604, \$1245, \$2474, \$1016 504, \$899012, \$12413-3418)
130 Eagle \$450470, (£28912-3221)
NobioPlat \$4934073, (£28912-295)

GOLD

Trads continued thin, concentrated on lorward 8rent. April traded at 514,75 and May at \$14,00, sech up 75c. Nymex WTI for April opened 4c up but treded 13c down at 1,15 pm EST. On the products markets gas all traded thinly in a released market. Nachthe opened firm on some early buying interest but talked down letsr on. Fuel oil was stable in thin trade as larders held off in enticipaten of lurther Islis— Petroleum Argus, London,

Latest + or -CRUOE OIL-FOS IS per barrel;-April

PRODUCTS—North West Europe Prompt delivery oif (\$ per tonne

GAS OIL PUTURES

CRUDE OIL FUTURES-Brent Bland CRUDE OIL FUTURES—Brent Blend Index. [5 a berel). Close. change, business donol: Index 13.83, +0.42; April 14.50-15.50; May 13.50-14.90; June 14.00-15.00; July 14.10-15.10.
Turnover: Nil (nil) lots of 1,000 berrole

COCOA

Trade and commission house buying litted lutures to limit-up for the second time this week. Light eright selling was well absorbed and price closed on a steady note after lively trading, reports Giff and fluttus.

e per tonne March. 1549 1552 + 5,85 1664 1530 May 1546 1646 + 49.0 1565 1514 July 1576 1577 + 40.0 1567 1545 Sept. 1603 1606 + 49.0 1815 1572 Osc. 1530 1631 143,0 1648 1672 Osc. 1550 1650 1640 1675 1680 1690 + 48.2 1685 1686

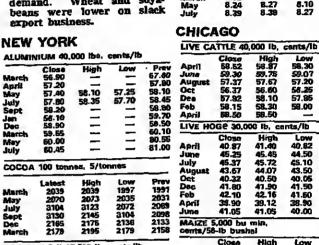
Sales: 5,590 (3,081) lots of 10 tonnes. ICCO indicator oricos (US cents per pound). Osdy price for March 12: 96.03 (97.88); hvs-day average for Merch 13: 95.54 (95.10).

COFFEE

US MARKETS

FOLLOWING Wednesday's

sbarp advance, profit-taking forced gold and silver lower, reports Heinold Commoditles. The stronger dollar was also a negative influence but uncertainty ahead of this weekend's Opec meeting deterred beavy selling. Copper re-mained barely unchanged with the recent events in the with the recent events in the tin crisis providing support after an early break on dollar strength. Sugar attracted profit-taking following Wednesday's advance to contract highs. Cocoa firmed on confirmation that the Ivory Coast supports a new cocoa pact and may have already sold most of its production from the current crop year. Disappointment that Brazil did not raise its minimum prices for April export registrations weighed heavily on coffee prices. Cotton attracted trade prices. Cotton attracted trade-buying and speculative profit-taking following recent rallies on expectations of increased mill purchases. Profit-taking eroded crude and heating nil prices but gasoline main-tained a firm tone following tained a firm tone following recent abarp stock draw-downs. Maize traded barely higher as expectations for a sharp cut in acreage of next year'a crop were offset to some degree by slack export demand. Wheat and soyabeans were lower on slack export business.



COFFEE " C " 37,500 lb, cents/lb COPPER 25,000 lb, cents/lb COTTON 50,000 lb, comb/lb SOYABEAN MEAL 100 tons, 5/ton 43.60 44.50 45.50 48.00

351.5 348.4

SOYABEAN OIL 6,000 lbs. cents/lb

352.1 356.3 360.0 363.5 369.0 371.5 377.0 382.0 385.5 Lembert. Prices ralled in the after-noon as New York received from a weak opening but with ne change in lundamentals the market remained within its recent trading range. WHEAT

5ales: 2.703 (3.195) lote of S tonnes. ICO indicator prices (US cents per geund) ler March 12: Cemp. daily 1079 209.47 [210.47) 15-day sverage 207.30 (206.61).

FREIGHT FUTURES

CRUDE OIL (LIGHT) 42,000 US gallons, 5/barrels

GOLD 100 troy oz, 5/troy oz

The dry targo market continued lower in thin conditions. Physical market conditions, eithough quier, showed minor signs of improvement. Small game were made in tanker lunn of the index, reporto Clarkeon Wolff. . Clase High:Low . Prev.

Turnover: 53 (46) Close ; High/Low : Prev.

Tumover: 54 (39).

BARLEY Jan... 106,15 +0.05:105.15 +0.05

LONDON GRAINS—Wheat: Ue dark northern epring no. 1 15 per cent, Mey 123.00, 1raneshipment East Coset. U5 no. 2 selt red wintar, June/July 35.00. Ec lirot-hell March 142. English leed leb Aor/Juns 122.00, Jan/Morch 111.50, paid East Coset, Merch 117.50-118.00, Aor 120.00-120 80, Apr/June 121.50-122.00, Sept 101.25-102.00, Oct 103.25-104.00, Oct/Oct 105.50-106.60, Jun/Merch 111.50-112.00 buysr/sellers. Meize: US no. 3 yellow/French, trans-shroment East Coset, Merch 142 seller. Barley: English leed lob March 117.00 seller, Apr 118.50-11e.50 buysr/seller. Apr 118.50-11e.7 buysr/seller. LONGON DAILY PRICE—Raw sugar itee.00 (E115.00), down \$2.50 [un-hanged] a tonne for March-May de-lively. White sugar \$181.50, down 50c.

(6.03).
No. 8 cil contract—May 175.8-180.0:
Aug 185.0-187.0: Oct 180.0-191.0.
Salus: 768 (911) lots ol 50 tonnes.
PARIS—(FFr per tanne): May 13701375. Aug 1410-1415. Oct 1450-1459. Deo
1470-1490, March 1530-1545, May 15751595

end MIM holdings were took substantial producers of metal, which, together with their customers, would generate strong LME futures trading contributing extra supplies from its stockpile of surplus commodities, was designed to win back markets lost to the members from a defeult by one of them. A clearing-house for Metallgesellschaft Ltd. Mr Schimmelhusch said thet ent to \$1bn over three years.

US bids for tobacco and cotton revival with changes in price support system

WORLD COTTON end tubacco for inflation. Previously, the merkets are braced for the re- price support formule was emergence of the US — tradi- indexed to inflation, which tionally the leading exporter of hrought it well out of line with both commodities — as a more market levels.
vigorous competitor as a result • The formula for calculating of forth coming changes in its price support system.

For tobacco, Congress is putting the finishing touches to new legislation designed to improve on the current pro-gramme. If accepted in referenda later this year by growers, it would permanently lower price supports and allow them to move with market levels, and would dispose over time of the large tohacco sur-plus which is depressing prices.

This is a similar treatment to that given to most US com-modities in the five year Food Security Act signed by President Ronald Reagan last Decemher; tobacco is not covered by this Act but has its own rmanent legislation, revision of which has been attached in Congress to a Budget Bill in

order to speed up its progress. Sponsored by, among others, Senator Jesse Helms, the Senate Agriculture Committee chairman wbo represents the higgest tobacco growing state, North Carolina, the Bill's major features include:

 A permanent reduction in the support price to around \$1.45 for Burley tobaccos and \$1.40 for flue-cured tobaccos. This is 21 per cent below the 1934 level and about the same as last year's administratively

 More importantly, the

growers' marketing quotas would also be chenged to reflect a combination of expected purcheses by domestic cigarette manufacturers, a three year average of exports and a reserve. Manufecturers would face stiff penalities for failing to buy what they say they will.

Manufacturers and dealers would also be asked to contri-bute to the costs of the tobacco programme, which have since 1982 been entirely borne by the growers themselves at no net cost to the Government. This has been increasingly onerous, with the growth to be financed and the drop in world prices. Officials of tha US Department of Agriculture say the purchasers appear to be prepared to go along with this

plan, in order to ensure stabil ity of supply and for the sake their political relationship with the growers. • Finally, the existing tobacco stocks would be sold off to manufecturers over between

five to eight years. Tohacco, arguably the oldest US cash crop, is also the sixth largest in terms of production. It is said to generate, directly or indirectly, around 2m jobs, \$30bn a year in wages and earnings and \$15.5bn in capital

The changes have been triggered hy America's declining share of the world market. In

sumption of cigarettes, but also barely 40 per cent of the level the country's uncompetitively in the sama period of the high export prices, previous year,

Although US exports of leaf have held fairly steady—last year they were worth a total of \$2.7bm—the country's market

COTTON EXPORTS ns of 480 Ib bales) 19.7t 6.57 5.21

share has dropped from 30 per cent in the early 1960s to around 18 per cent in the past couple of years.

Source: US Oapartment of Agricultura

In addition, US imports of tobacco are on the increase. Until a few years ago, imported products made up only 15 per cent of the leaf tohseco in an average US cigarette; it now accounts for a third. Repeated attempts by the growers to persuade the Government to erect obstacles to imports have failed. The result has been a long decline in US marketing quotas

and a steady rise in stocks; the current inventory is equivalent to almost one year's production. For cotton, the position is if anything more serious. The US has been toppled from the num-

also rising sharply, and are expected to rise to 9.2m bales are twofold: again, current high

support prices make US cotton extremely uncompetitive in a surplus ridden world market; and importers are purchasing as little cotton as possible at present in anticipation of a sharp cut in US prices under the Food Security Act from

The velne of exports for the

from its normal level of \$2bn to £1bn, and officials expect both the Soviet Union and Pakistan to exceed US ship-ments in 1985-86, US stocks are

The cotton provisions of the Act - otherwise known as the Farm Act — are among its most radical changes. The Administration has the power to reduce the loan rate (the price support level) from 53.7 cents per round to 55 cents, but more importantly, exporters will be given subsi-dies, in the form of "marketing certificates" to enable them to match world prices no matter how much lower they are.

Officials expect this to result in a sharp increase in exports from next August. They say the US should swiftly be able to reclaim its traditional export volume of around 6m hales a year, and that domestic consumption should also rise.

They are also hracing them-selves for e barrage of protests

formule by which prices are the past 25 years, according to the using the using the past 25 years, according to the using the using the using the using the using them the future is to the using the using the using them the using the using them the using the using

Spreading the 'green revolution'

John Elliott on expansion plans for Indian agriculture

all policy documents for agriculture, which will concentrate on boosting production in the country's less developed eastern and western states, expanding output nf key crops such as edible oil 5eeds, and increasing the value of exports with new technology for food processing.

The eim to to spread the the assumption that the current total area of irigated land — about 30 per cent of the 357m and Western Uttar Pradesh to the eastern and only expand by 5 to 10 per cent of the country and that there is unlikely to be any greater increase in the total states to belp current imports.

This is intended to commune noingy for food processing.
India produces 145m to 150m
tones of food grains a year and
is now self sufficient in wheat and rice. It is aiming for self sufficiency by 190 in oil seeds, it suffered from excessive stocks

more to potential customers. Now the Government wants grammes. to draw up e comprehensive plan for the agriculture industry, which makes up 35 per cent of India's gross domestic product, provides 29 per cent of its exports and employs 70 per cent

food grains mainly beceuse of

the high cost of transporting

of the labour force. The intention to launch e new policy was announced in the President's annual speech to Parliament last month. It will pull together policies that been developing recently and will follow on from the work of a series of agriculturel commissions, the last of which reported in the early 1970s.

Agricultural output rose by an tern. now targetted to grow by 4 per undertaking price support pur- improve rain-fed farming, by cent 8 year to 1990 under the chases need to be given high retaining surface moisture so

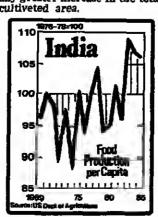
This is intended to continue the drive for higher productivity and to spread the cultivation of crops more evenly around the country. This should, officials helieve, help to alleviate the excess stocks problem by cuttion. In the meantime the Government is trying to use up excess wheat with exports which have so far proved difficult and with rural food-for-work pro-

The targets for the policy were indicated in the Ministry of Finance's annual economic survey at the end of lest month which said "Emerging distortions in the cropping patterns can no longer be overlooked. Broadly the country's cropping patterns should reflect the overall comperative advantage of regions and teke into account the changing demand con-

ditions. "A rational price structure hes to be evolved for both inputs as well es output in order to bring about the desired such as Rajastan and the changes in the cropping pat-western areas of Madhya, tern. Strengthening of the Andhra Pradesh and Karkataka overage of 3½ per cent a year marketing infrastructure and between 1980 and 1985 and is adequate arrangements for

THE INDIAN Government has country's new seventh five-year priority for the effective implementation of the price policy."

The elm is to spread the The policy will be hased on



In the eastern states of Bibar West Bengal, Orissa, Assam and the eastern parts of Uttar Pradesh and Madhya Pradesh. where reletively beavy rainfall is under-utilised, the Government wants to improve water management and irigation. In the drier western stetes

- widely hit by drought in re-

cent years - the aim will he to

more effectively. The Government also wants to improve the impact of its pricing policies and other incentives for farmers so that, for example, in areas where wheat example, in areas where wheat is plentiful, they move into other crops. "A good price signal will boost production of crops like oil seeds, with farmers switching from cereals," says Mr M. Suhramanian, secretary of the Agriculture

Mr Subramanian says that production of edible oil seeds, which has lagged well behind expansion of domestic demand, should rise to about 20m tonnes within five years compared with 13.1m tonnes last year and an average of 10.7m tonnes in 1980-85. This is a top priority because the Government to cut exports of ment wants to cut exports of

developing infrastructure facilities and encouraging technological developments which will hoost exporteble processed fruit, vegetebles, meat and fish Foreign technology will be

ment is likely to be highly selective. This was indicated last year when an offer was rejected from Pepsico to export processed Indian fruit in return for being allowed to import its Pepsi Cola drink concentrate. We want high technology, not just brand names," says Mr

Gold ross \$3% an eunce from Wednesday's closs in the London bullian market yesterday to linish at \$248-3489. The metal appear at \$349-3494 and traded between a high of \$3509.3514 and a low at \$3471-3474. Geld broke through the \$350 level on a number of accessons during the day but failed to stract any follow-through buying end left beat as a rosult. SILVER

8pot... 307,60p +14,8391p 5 months, 408,65p +14,1403,5p 5 months, 410,000 -14,1 12 months 438,50p +14,2 edible oil which rose by about 20 per cent last year to some 1.5m tonnes The policy will also aim at

accepted although the Govern-

Silver was fixed 140 an ounce higher far spot delivery in the Landon bullion market yesterday at 397.60. US cent oquivalents of the lixing levels were: apot 578.9c. up 11.9c; three-menth 589.1c. up 11.75c siar-month 599.15c. up 10.9c. The metal opened at 3521-3341-0 (577-579c) and closed at 3531-3341-0 (574-576c). SILVER Buffion + or LM.E. + or per Fixing - p.m. Unoille!

LME-Turnover: 5 (761 loss of 10,000 Cash high/law 3930 three months high/low 406p; final berb 402.5-5.5p, SOYABEAN MEAL Commercial buying lifted opening prices by £1.50-£2.00, prompted by weaker currency and a stronger cash market. Speculative and prevenence selling during the attarnoon dampened enthusiasm and prices tomained at their serier levels, reports Muripaco.

E PER ROMO 140.0 140.0 155.5 150.5 140.0 155.5 114.0 1.55. 150.5 1 Sales: 556 (679) (ets of 20 tennos.

مِلَدًا مِن إِنْصِلُ

TRUE Applica March 17.67 18.00 17.55
May 17.86 18.29 17.80
July 18.17 18.60 18.75
Aug 18.33 16.75 18.32
Sept 18.42 18.90 18.40
Oct 18.50 18.90 18.50
Dec 18.90 18.32 18.85
Jan 18.97 19.40 18.95
March 15.35 19.75 16.35
WHEAT
5.000 bu min, cents/80 lb bushel Poolen end a Close High Low 347.6 348.0 342.4 295.2 296.4 291.0 256.4 253.4 253.4 253.6 269.8 269.6 267.2 275.0 272.4 SPOT PRICES—Chicago loose 12.50 (sems) conts per pound. I and Harman aliver bellion (569.0) cents per toy ounce. Mar... 119.90 — 113.60 +0.50 May... 119.35 +0.05 115.35 +0.10 Nov... 102.75 +0.66 101.66 +0.40 Jan... 106.15 +0.05 105.15 +0.55

SUGAR

The merket was irregular at the higher levels following the re-emergence of first-hand sellers which blunted Wednesday's edvance, toports C. Cabmikow.

Siles: 1.896 (2,713) lots of 50 tonnes.
Tote and Lyyle delivery Once for
granulated basis sugar was £221.00
(abmci s tonne lor axport.
International Sugar Agreement—(US
costs per pound lob and elowed Caribbeen ports.) Prices lor March 12: Oaily
(9:03).

KANDE CADE

ESTIMATEO VALUE (USS MILLION) 8.2

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Opec meeting unsettles pound

£ IN NEW YORK

Sterling lost ground in currency markets yesterday. Although finishing above its worst, it falled to recover fully from early selling. This weekend's meeting of Opec ministers had sufficient influence to unsettlo the market although some dealers were sceptical as to whether the outcome of the meet ing would be bearish for the pound at M. Oll prices yesterday continued to show a firmer trend with North Sea crude quoted

POUND SPOT-FORWARD AGAINST POUND

DOLLAR SPOT-FORWARD AGAINST DOLLAR

Mar. 15 & 5 DM YEN FFR SFr. | HFL | Lira CS | 11 Fr.

| 13 to 15 t

05s.10 85s.97s 65s.07s 81s.01s 12.14 11s.18 105s.111s 81s.10s 51s.55 65s.55 85s.55 65s.55 71s.61s 71s.75s 75s.71s 75s.77s 75s.77s

You per 1,000: Franch Fr per 10: Lira per 1,000: Bele Fr per 100.

EURO-CURRENCY INTEREST RATES

A BARE BARE AREA (CONTRACTOR

SO HERENARDS (C. PROPERTIES)

Manager | Second

A STATE OF THE STA

100 mg

Mar. 13 Prov. olose £ Spot | \$1,4618.1,4529.21,4650.1,4680 | months | 0,85-0,50pm|0,50-0,00pm | 1,94-1,40pm|1,65-1,51pm | 4,55-4,40pm|4,65-4,65pm Forward gramiums and discounts apply to the UR deliar.

continued to show a firmer trend with North Sea crude quoted around \$2 a barrel above recent lows.

In addition confidence was underpinned by the high level of interest rates in London and receivily bouyant equity and gift markets. The prospect of a cut in UK clearing bank base rates did not appear to have a damping infinence, having already been discounted in the current level of interbank rates in London. The pound's exchange rate index closed at 74.8 and Wednesday's room but down from an opening level of 74.8 and Wednesday's room but down from an opening level of 74.8 and Wednesday's room but down from an opening level of 74.8 and Wednesday's room but down from an opening level of 74.8 and Wednesday's room so 75.2 Against the Obmark at DM 3.3500 compared with DM 3.3525. Elsewbere it slipped to Y262.50 from Y264.50 and SFr 2.82 from SFr 2.8375.

The dollsr broke through the DM2.30 level against the DM2.30

D-MARK — Trading range against the dollar in 1985-86 is 3.4510 te 2.1990. February average 2.3310. Exchange rate index 133.7 egainst 124.7 six months ago.

The D-mark moved orrotically against the doller in a market lacking any direction. The dollar closed at DM 2.2825 unchanged from the opening but well up from Wednesday's close of DM 2.2745, A 0.1 per cent fall in US retail salos did little to influence the market. Earlier in the day the dollar had been fixed at DM 2.2815 from DM 2.2867 on Wodnesday and there was no intervention by the Bundesbank. JAPANESE YEN — Trading range against the dollar in 1985-1986 is 263.15 to 178.95. February

average 184.545. Exchange rate index 192.8 against 156.7 six index 192.8 against 156.7 slx months ago.

Trading was extremely quiet and uneventful in Tokyo yestorday. The dollar showed little chaoge ogainst the yen but improved in terms of the D-mark so that the D-mark/von rate follouite sharely to Y78.76 from Y76.53. The dollar finished at Y180.30 compared with 180.25 in New York and Y180.10 in Tokyo on Wodnesday.

CURRENCY MOVEMENTS | March 13 | apread | Close | One month | p.s. | Invest | In

1980-1982=100. Bank of England ladex (base average 1975=100). **CURRENCY RATES** Sterling ... 7
UR St. ... 7
Canadian 0. 21.74
Austria Sch 4
Belgian Fr. 91
Canadian 0. 21.74
Austria Sch 4
Belgian Fr. 91
Canadian 0. 21.74
Canadian 0. 21.74
Canadian 0. 21.74
Austria Sch 4
Belgian Fr. 91
Canadian 6. 21.74
Canadian 6. 21.74
Canadian 6. 21.74
Canadian 7
Canadian 7
Canadian 7
Canadian 6. 21.74
Canadian 7
Canadian 7
Canadian 6. 21.74
Canadian 7
Canadian 6. 21.74
Canadian 7
Canadian 7
Canadian 6. 21.74
Canadian 6. 21. CERT. DEPOSIT (IMM) 51m points of 100%

 C\$/SOR rate for March 12: 1.60494. OTHER CURRENCIES 0.299 0.436 1. 78.36 8.076 0.848 1.138 678.5 0.608 20.43 3.610 8.560 12.76, 1000 38.26 10.74 14.40 8668 7.764 860.8 FFr. 0.870 1.410 5.251 254.7 10 8.757 6.668 2806 1.978 86,42 SFr. 0.858 0.818 1.188 06.09 5.664 1, 1.840 806.0 0.728 84.27 C \$ 0.401 0.715 1.644 128.8 5.056 1.384 1.865 1116 1. 53.56 B Fr. 1.461 8.152 4.894 583.0, 16.06 4.120 0.522 3621 2.878 100.

D.299 0.436 1. 78.36 8.076 0.848 1.128 678.5 0.608 20.45 3.810 8.580 12.76 1000. 39.26 10.74 14.40 8658. 7.764 860.8 Arg*tina... 1.1656.1.16780.8000.0.8010 91.80 STERLING INDEX Mar 13 Previous 75.2 75.1 75.1 75.3 75.2 75.2 75.0 75.2 74.5 74.7 74.7 74.6 · Selling rate.

> EMS EUROPEAN CURRENCY UNIT RATES Ecu central against Ecu agains | Seiglen Frenc ... | 44.8320 |
> | Ilenrich Krone ... | 2.12857 |
> | Germen O-mark | 7.223840 |
> | French Frenc ... | 8.86402 |
> | Outch Guilder ... | 2.52288 |
> | Italian Lim | 1520.60 | Changes are for Ecu, thatofore positive change denotes a weak currency. Adjustment calculated by Financial Times.

Long-term Eurodollers: two yeets 73-72 par cent; three yeem 74-8 ger cent; four yeem 8-24 ger cent; five yeem 8-24 per cent; five yeem 8-24 per cent nominal. Short-term rates are cell for US Oullers and Japanese Yen; others, two days' nofice.

MONEY MARKETS

Storling...... U.S. Dollar... Can Dollar... O.Gulider ... Sw. Franc... Ooutschimrk Fr. Franc ... Italian Lira...

B.Fr.(Fin).... B.Fr.(Gon) ... Von D. Krone Asian \$ (Sng)

EXCHANGE CROSS RATES

Bank continues to resist lower rates

81g-884 812-9 614-575 758-819 75g-719

MONEY RATES Ov'r-nig'ti Month Months Months Months in'v'rbad | OVF-nig'U | Month |

Interest rates showed little movement on the London money market with three-mouth interbank unchanged at 114-114 per cent. The Bank of England, in the Bank of England, in the Bank of the Market of Samuel and S | Interbank | 1314 - 80 | 1319 - 1512 | 1214 | 1016 | 1114 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1016 | 1114 | 1114 | 1016 | 1114 | 1114 | 1016 | 1114 | 1114 | 1016 | 1114 | 1114 | 1016 | 1114 | 1114 | 1016 | 1114 | 1114 | 1016 | 1114 | 1114 | 1016 | 1114 | 1114 | 1016 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1144 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 | 1114 Tressury Sills (sell): one-month 12 per cent: three-months 11½ per cent. Bank Balls (sell): one-month 12 per cent: three-months 11½ per cent. Tressury Bills: Average tender rate at discount 11.5336 per cent. ECGO fuedd finance Scheme IV reference dete February 5 to Merch 4 (inclusive): 12.654 per cent. Local authority and Finance Houses seven days' notice, others seven days' fixed, Finance Houses Bese Reles 13 per cent from Merch 1 1988, Bank Ospoell Rats for sume at seven days' notice 6-62 per cent. Certificates of Tax Osposits (Beries 6): Deposite £103,000 and swar held under one month 12½ per cent one-three months 11½ per cent; three-als months 11½ per cent: six-nine rounts 11 per cent: nine-12 months 11 per cent. Under £100,000 11 per cent from March 12. Osposits held under Series 5 11 per cent. Osposits withdrawn for cash 7 per cent;

FINANCIAL FUTURES

Two new options

Trading began in options oo long gilt futures, and US Treasury hond futures, on the London International Futures Exchange yesterday, with the gilt option getting off to a particularly encouraging start.

Early trading was volatile in long gilt futures, with prices falling initially, and then recovering, to cover the whole day's mistic that UK clearing bank base rates will be cut next woek.

LIFFE LONG GILT FUTURES OPTIONS

US Treasury bond futures also opened weaker, prompted by Japanese seiling, but showed some strength ahead of the US retail sales figures for February. These proved disappointing bow-

LIFFE E/S OPTIONS E25,000 (cents per £1) Strike roice Mar April May June Mar April 1.20 25.90 — 20.10 0.00 — 1.25 21.10 — 21.10 0.06 — 1.35 11.10 11.10 11.20 11.10 0.06 0.35 1.40 5.90 0.30 6.90 7.40 0.05 0.90 1.45 1.40 2.90 3.80 3.85 0.40 2.55 1.50 0.10 0.95 1.30 2.20 4.85 5.75 Previous day's open int, Calls 5,241, Puts 6,630 Volume, N/A PHILADELPHIA BE E/S OPTIONS C12,500 (cents per £1) LIFFE-EURODOLLAR OPTIONS \$110 points of 100%

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100% Close High Low Prev March 151-20 152-30 160-60 162-50 June 163-10 164-10 162-75 164-40 Sept 165-10 165-10 165-10 165-40 Estimated volume 625 (560) Previous day's open int 1,667 (1,668) March 118-28 119-11 118-28 119-08
June 119-24 120-10 119-19 120-10
Sept 120-05 120-24 120-65 120-23
Estimated volume 8,035 (8,686)
Previous day'a open int 6,921 (7,204)
Basis qasta (clean cash price of 13%
Treasury 2004-08 leas equivalent price of near futures contract) -4 ts 4
(32nds) THREE-MONTH EURODOLAR Sim points of 100% 92-09 92-09 92-09 US TREASURY SILLS (HMM) S1m points ol 100%

CURRENCY FUTURES THREE-MONTH STERLING £500,000 points of 100% 93.03 93.17 93.03 93.03 March 96.35 96.35 96.31 86.35 1.4696 1.4636 1.46 POUND-\$ (FOREICN EXCHANGE) 5pot. 1-mth. 3-mth. 6-mth. 12-mth 1.4695 1.4635 1.4444 1.4328 1.4145 US TREASURY BONDS 8% \$100,000 32nde of 100% March 96-06 96-31 96-02 97-03 March 1.4566 1.4595 1.4535 1.4715 June 95-22 96-23 96-06 96-19 June 1.4417 1.4490 1.4395 1.4570 Sept 96-01 96-25 96-01 9E-30 Sept 1.4306 1.4306 1.4305 1.4305 1.4306 1.4305 1.4

rnese proved disappointing bow-ever, falling by 0.1 per cent, less than the expected range of 0.2 per cent to 0.8 per cent. In spite of e downward rovision in the January figure, bond futures were again sold, to finish lower on the day.

Three-month Eurodollar futures weakened, on the recail

Elatropaulo-ELETRICIOAGE OE SAO PAULO C/A — is a beneficiary onder a loan obtained from the World Bank, through Cantrals Elátricas Brasileiras S/A — ELETROBRAS, to cover part of the electrical distribution expension programms planned for 1995/1989.

Ournoy the mext 2 months ELETROPAULO will issue invitations for international bidding for the supply of equipment and material grouped as loilows (with earlimeted value). with eerimeted value).

IESCRIPTION
Aluminium Conductora ACSR, ASC
Multiplea and Insulated Aluminium Conductore
Oilelled Underground Cabla 345kV and
Accessories
Power Circuit Breekers
Power Transformem
Metalclad Switchgear 15kV
dautic Capaciora
Steel Structures for Trenemission Towers
and Bubstattens
Sectionalisers 138kV
Underground Natwork Protectors
Meters (eingle and selpohase)
Lighting Arrestem 12kV and 20kV
Illisconnecting Switchas (Fuse and Knile
Type) LIFFE 116 TREASURY SOND FUTURES OPTIONS Type) Disrobmion Transfermers

> Suggliem and manufacturers from member countries of 18RO. 3witzorland and Telwan (Chine) who wish to be included in a mailing list to receive invitationa to bid on the above mentioned trame are requested to state in which they are interested, addressing their communications or the state of Company Notices

Contracts and Tenders

BRAZIL

ELECTROBAS THIRD POWER DISTRIBUTION PROJECT

GENERAL PROCUREMENT NOTICE LOAN NUMBER 2565-BR

BANQUE FRANÇAISE DU COMMERCE EXTERIEUR US\$600,000,000 Ouaranteed Floating Rate Notes due 1999 In accordance with the provisions of the Obove mentioned floating rate nates, the rate of interest for the period March 13, 1986 to deptember 15, 1986 (186 days) has been fixed at 75% per ennum. Interest payable on each note of US\$10,000 on September 15, 1986 against Caupon No. 4 will be US\$393.96. BANQUE INTERNATIONALE A LUXEMBOURG 5001010 Anonyma Fiscal Agent

CASSE NATIONALE DES TELECOMMUNICATIONS Floating Rate Notes issue of USD 300.000.000 1985/2000 For the poriod of one month, from 13 March to 14 April (32 days), the notes will bear interest rate of 72 per cent per annum. The payable interest due 14 April. 1986 for each nominal note of USD 10,000 will be USD 67.78.

LONRHO FINANCE PUBLIC LIMITEO USS 614% CONVERTIBLE BONOS 2000 LONRHO PUBLIC LIMITED COMPANY NOTICE IS HEREEY GIVEN to Bondholders that Copies all the Annual Report and Accounts of Lontho Floance Public Limited Company and of Lembo Public Limited Company are available from the Paying Agents for the above Bonds.

LONRHO FINANCE PUBLIC LIMITEO COMPANY US312%, BONOI 108B GUATANIESS DY LONRHO PURLIC LIMITEO COMPANY NOTICE IS HEREAY GIVEN to Bondholders that caples at the Annual Report and Accounts of Lourbe Tourism Paying Accounts of Lourbe Tourism Paying Agents for the above Bonds. NOTICE TO BONDHOLDERS OF

Art Galleries CRANE KALMAN GALLERY, 172 Brompton Road, London, SW3, 01-584 7566,
Paintings by Robart de Niro and Paul
Resika. First London exhibition of two
two control of two control of two
March, Dolly 10-6, 53; (0-4,
We, 01-637 5663, SUSAN HAWKER,
Paintings and Wetercolours, Unit April

S WORLD VALUE OF THE DOLLAR B BANK OF AMERICA NT & SA, ECONOMICS DEPARTMENT, LONDON

The table below gives the rates of exchange for the U.S. dellar against various currencies as of Wednesday, March 12, 1986. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per ono U.S. dollar except in certain specified

Bank of America, Economics Dept., E.M.E.A. London Eurodollar Libor as of March 12 at 11.00 a.m. 3 months: 7⁻⁷/₁ 6 months: 7⁻⁷/₁

areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT & SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT & SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR	COUNTRY	CURRENCY	VALUE OF OOLLAR	COUNTRY	CURRENCY	VALUE OF COLLAR
Afghanistan	(ghani jo)	e0.60 e,8368	Orenada	E. Caribbean \$	8.70	Paraguay.	Guarani (o.c.)	240.00
AIBETIA	Oinar	4,78	Guam		é,978 1,00			817.50
Andorra	Fr. Franc	e,078 149,60	Ouatemala	(o)	1.00			13.06 80.86
Angola	Kwanza	29,018			2,95 170,478	Pitcalm Is	N.Z Dollar	1.8888
Antiqua	E. Caribbean S	8,70	Guinan Rep	Franc (9)	340.00	Portugal	Escudo	166.7B
Argentina	Austrai Florin (11)	. 0.801 1.80			300,00 4,100	Puerto Rico	U.B. dollar	1.00
Australia	Oollar	: 1,4817	Haiu	Gourdo	0.00	Reunian, #do is.	Fr Swan	3.641 8.87
Azores	Port, Facudo	16.88 148.60	House Kons	Lempira	0.00 2.5e	Romania	Leg (O)	3.81
Bahamas	Dollar	1.00	I MOUD MOUNT AND MARKET IN	DOIME	7.811	Rwands	Leu (ci	19.42 80.8728
Balearic Is	Dinar So Perete	0.8769 148.50	Hungary		46.25	St. Christopher St. Helena St. Lusia St. Vincant	E. Caribbean 8	8.70
Balearic Is	Taka	00.30	lociand	Krona	41.20 12.20	St. Lusia	F. Caribbean F	1.477 2.70
Barbados	Frans (c)	8.0113 46.00	India	Ruplah	2131.00	St. Pierra	Fr. Franc	6.878
Belglum ,	Franc (f)	46.89 2,00	Iran	Rial (O)	80.764 0.8109	Samoa (Westerni	E. Caribbean \$	8.70
Berlin.	Dollar C. S. A. Sman	2,00 348,00	Irish Rep.	Punt*	1.636	Samos (Am.)	11 P R	2,SB7
Bermuda	Dollar	1,00 12,20	STAR CONTRACTOR	New Shekel (12)	1.479	San Marino	It Ura	1541,00
Bhutan	Ind. Rupee	12,20 1855000.	Italy	C.F.A. Franc	1641.00 348.90	Principa DR	Dobra	00.5945
Bolivia,	Peso (T)	1855000.				Saudi Arabia	Rivel	8.85
BOTSWALLS	Pula Cruzeiro (o) i10	1,0507 13.86	Jamaica	Ooller (o) (5	0.48	Senegal,	C.F.A. Franc	348.90
Brazil	Dollar	2.101	Japan	Ven	170,07 0.3393	SUBSTR LEGGE	1 0000	8.8603 6.00
Bulgaria	Lev	0,954 348,90	Jordan Kampuchea Kenya Kiribati Korea (Nth) Korea (Sth) Kuwalt	Riel		Singapore	Dollar	2 761
Burma Faso	S.F.A. Franc (yat	7.4451	Kenya	Shilling	n.a. 14.1306 1.4017	Somali Rep.	Dollar Shiiling	1,5898 36,00
Burma	rano_	107,364	Korea (Nth)	Won	0.94	South Africa	Rand(f)	0.7701
Canada	J.F.A. Franc	348,90 1,587	Korsa (Sth)	Won	0.94 684.70		Rand(c) Peseta	1.9802 142,50
Canary Is	P. Peseta	140,60 89,8698			0,2885 35,00	Span Ports in N.)	D. Peseta	142,00
Capo Varde fs	SC UCO	0.885	Lesotho	Pound	19.42	Africa Sri Lanka		27.60
Cen. Africa Rep C	LF.A. Franc	348,90	Liberia	Maloti Dollar	8,7701 1,00		Pound (0)	8,50 4.00
Chad	F.A. Franc	348,80 184,60	Liberia	Olnar	0.2961	Sudan Rep	Pouod (1) (8) Bulkder	4.00
China F	tenminbi Yuan	8.2079			1,822 46,36	Currelland	Lianceni	1.765 8.7701
Colombia F	PESO IOI	178,10	Macao	Pataca.	1 8.118e	Swaden	Krona Frano	7,242
Comoros	F.A. Franc	348,90 348,90	Madeira	France Port Francis	686,014 148,60	Switzerland Syria	Pound (o)	1.922 8.525
Costa, Rica	colon Ceso	60.00 0.8779			1.7776	-3		
Cuba P	ound*	1.0228	Malayela	Ringoit Buring	2.515 7.00	Talwan I Tanzania	SAULING	39,10 10,06
Czechoslovalda., K	(ס) בתעום	6.20			348,90		Dant (D)	26.30
	rano	8.371 177.00	Martiniquo		8,5167	Togo Rep	C.F.A. PRINC	348.90 1,4217
Dominica E	Caribbean \$	2.70	i Mauritania	Oxionilya	0,878 77,00	Trinidad & Tobago	Dollar	2,409
Domin. Rep	Peso (d)	8,710 2,80	MAULITUUS AUGUSTON	Riman	1 13.538 J	Tunisla	(Dollar (hj (10)	5,90 0,7006
	Sucre Id)	140.00	Mexico	reso (d) Peso (e)	470,60 447,80	Turkey	Lira	1 658.10
Equador	Sucre (f) (4)	109,30	Miquelon	Fr. Franc	e.07B	Turks & Calcos	U.S. F	1,00 1,4217
Farret	Pound	0,83	Monaco	Fr. Franc Digrik ini	8,078 3,3555			
Eeypt	Pound (c)	1.54 0,00	Mongolia	E. Caribbean \$	2,70	Usanda S		1458.30
El Salvador	Colon (d)	(e.00	Moroppo	Dirham	e.14	United Arab Emir. I United Kingdom F	lirham Pound Sterline	0.075 1.477
Eq'ti Ouines C Ethiopia	F.A. Frans	348,90 0,0785	Mozambique i	Metica	40.62 2.7701	Urugusy	eso imi	188.90
Faerne is D	HFF (O)	8,371	Namible	S. A. Rand	2,7701	USSR	toubla (7)	0.72
Falkland Is P	ound*	1,477 1,0899	Naura fa	Aust. Dollar	1.4217	Vahuatu\ VaticanL	ira .	96,8518 1541,00
Pij(D Finland N	olar factur	1,0899 8,114	Napal	Rupee	20,50		Boliwar (g)	7.50
France F	TRAC	5.078	Netherlands	Quilder	8,558	Venezuela	Solivar (0) (1)	4.50
Fr. C'ty in Af C	.F.A. Franc	348.90 5.976	Now Zealand	Dollar	1,8893	(-	Bolivar (ol	18,68
Fr. Oulana, F Fr. Pac. la C	ranc .F.P. Franc	19e.B73	Nicaragua	JOrdoba (5) Cordoba (4)	70.00 e70.00	Vietnam	Cong (7)	16,469
Fr. Pac. le	F.A. Franc	348,80	Nigor Rp Nigoria Norway	C.F.A.Frane	348.00	Virgin is. British _ i Virgin is. il.S i		1,00 1,00
BAMDIA D	alesi (16)	6,63 8,266	Niệphia	Maira	0.0006	Yemen		B.5B
Oormany (E), O	tark (O)	2,266	Orten Sultanatum	NTOTIO	7.154	Yamon PDR ()inar	0.343
Chara	A41 (14)	90,00	Oman Sultanate of		0.885	Yugoslayla	Dinar	322.90
Gibraltar P	ound"	1,477	Pakisten	Rupeo ·	15,9876	Zaire Republio 2	Laire	55.16
Greenland 0	racmma en. Krone	8,371	Panama Papua N.G	eaidea Kina	1.00 0.96eo	Zambia I	(wacha	6.796t
					0,3000		voia!	1,6716

n.e. Not available. (m) Market rate. *US dollars per National currency unit. (a) Fteemarket central bank. (b) Official rate. (b) Freemarket Interbank. (c) Commercial rate. (d) Freemarket. (e) Controlled. (f) Financial rate. (g) Preferential rates. (h) Non-essential imports. (i) Floating fourist rate. (j) Public Trensaction rate. (1) Venezuela: For debts incurred prior to Fabruary 1983. (2) Omen, January 28, 1988: Rial devalued by approximately 10.2 per cent. (3) Polend, February 2, 1986: Zioty devalued by approximately 13.5 per cent. (4) Ecuador, January 29, 1988: Sucre devalued by approximately 13 per cent. (5) Nicerague. March 1, 1986: Oevaluation. (6) Peru, January 1, 1988: New currency introduced—1 Inti=1,000 Boles. (7) USSR, Fabruary 21, 1988: Official rate cut by Soviet State Bank. (8) Sudan. March 11, 1985: Pound readjusted. (9) Guinas Republic, January 3, 1988: Franc. new exchange male enneunced. (10) Brozzi, Merch 1, 1986: New currency introduced—1 Cruzadoc=1,000 Cruzairos. (11) Aruba Florin: New currency introduced. January 1, 1988. (12) (arael, January 8, 1986: Shakel devalued—1 New Shakel =1,000 Old Seekels. (18) Brazil: Fabruary, 1986: Minidevaluehon of Cruzairos by approximately 10.13 per cent. (14) Ohesa, January 13, 1988: Cedi devalued by one-third. (16) Gambis, Jenuary 20, 1988: Oalsei freely liceting. For further information ploase contact your local branch of the Bank of Amarica.

Financial Times Friday March 14 1986

هِكَذَا مِنهُ لِأَصِلَ

Finnels There Pridly March 14 1986

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FINANCE, LAND-Cont. 985 138 Seaton Minned 905 719 F 5 Com Loid 50c . 210 65 Fire State One 10c ... 6115 56 Harmon 50c ... 923 208 Locame R1 ... 6165 671 St. Helena R1 ... 888 332 Univel 696 350 Walson Cold Minn 50c . 253 |+1 Q590: 1.0 36 490 |+3 | Q55d 4 |3.7 490 |+10 | Q50d: 2 |3.2 6804 |-5 | Q155d 1.9 6.4 595 |-5 | Q72d 1.0 40 745 |-15 | 1Q50d: 14 |39 53 : 127 | Angu-Am Imy 50c ... | 592 | 265 | De Beers DI Sc ... | 700 | 275 | Do 30pc PF R5 ... | 511½ * 80 | Impail Plat. 20c | 640 | 350 | Lydeobury 17½c...... | 805 | 1330 | Rus. Plat. 10c | Central African 190 140 Falcor 250c 180 10100c 25 29.8 13 10 Waste Col. 251 12 1000c 25 186 19 10 Zam Cp 5800 24 15 1... | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 Miscellaneous Unless orberwise indicated, prices and net dividents are in peace and denominations are 25p. Estimated price/earming ratios and covers are based on laters ammail records and accounts and, sherre possible, are updated on ball-yearly figures. Pris are calculated on "ori" distribution basis, harmings out stare being commanded on crois rater stated and unreflerence of actualized on "mil five/instruct. Ocers are based on "maximum" distribution; this compares, gross dentited costs to profit after taxation, excluding exceptional oriths/boses, but including estimated actual oil distribution with compares, gross dentited costs to profit after taxation, excluding exceptional oriths/boses, but including estimated actual oil distribution, this compares, gross dentited costs to profit after taxation, excluding exceptional oriths/boses, but including estimated actual oil distribution and inglets.

1 "Tax Stock".

1 "Tax Stock".

1 Interim since increased or resumed

2 Interim since marked this have been adjusted to allow for lights issues for cost.

3 "Figures or report available.

4 Not officially UK intert; dealings permitted under Rule 53544[cal.]

5 "Price as timing of seagnostion.

5 "Price as timing of seagnostion.

5 "Price as timing of seagnostion.

6 "Price as timing of seagnostion.

6 "Price as timing of seagnostion.

7 Dealt to inside reorgalization in progress.

8 "Price as timing of seagnostion.

9 "Forecast dividend, cover on earnings andicated activated and progress to previous dividend are reorgalization in progress.

9 Not comparable.

1 "Cover does not allow for share's which stay also rank for dividend at a fortune date. Por Per atio availity provided.

2 "Cover does not allow for share's which stay also rank for dividend and a fortune date. The progress of the progress | Column | C Finance, Land, etc REGIONAL & IRISH STOCKS The following is a selection of Regional and Jush Stocks, the latter being guoted in Tush currency. "Recent Issues" and "Rights" Page 42 (International Edition Page 46) This service is available to every Company dealt in an Stack Exchanges throughout the United Kingdom for a tee of £875 per amount for each security.

...

A more cautious approach was deemed wise yesterday after the scorching 45-point advance in the FT Ordinary share index over the previous two sessions. Investors decided that a respile was necessary and bine chip issues surrendered ground but oot before abowing spirited bouts of resistance.

The tone throughoot the morning was easier with dealers biaming this on the lack of a follow-through on Wall Street overnight the Dow Jones index gave up an 18-point rise in the final hour of business to close virtually unchanged on balance. virtually unchanged on balance.
Slightly disappointing thirdquarter results from British
Telecom also cast a shadow over
proceedings until announcement
of the Boyal Dutch/Shell preliminary figures.
Group profits in line with most
analysts' projections further
encouraged the oil sector, which
was tending to improve on bones

was tending to improve on bopes that the weekend Opec meeting could produce a formula to stabilise world oil prices. Other equity leaders followed and throughout the afternoon the FT Ordinary share index displayed a small rise, before closing a net 0.1 off at 1350.6. The broader-based FT-SE 100-share lost 7.8 to 1618.7.

to 1618.7.

The adverse effects of British Telecom on the FT 30-share index were more than offset by useful gains in several other constituents. NatWest Bank were particularly strong on reports of a "buy" recommendation from Rowe and Pitman; speculation of Merrill Lynch taking a similar view was later speculation of Merrill Lynch taking a similar view was later dismissed. Recent fears of a possible "windfall" tax imposition receded and NatWest spurted 42 higher to 783p with the rise belped by stock shortages. Barclays and Lloyds eventually joined in the movement.

Concern that the authorities could delay the expected cut in UK interest rates upset the market in Giltedged securities. Exchange rate and US long bond easlness also contributed to the

Exchange rate and US long bond easiness also contributed to the tone which left longer-dated Gilts showing widespread fails ranging to 14 points. Proditaking after the recent sustained rise was not especially beavy but it fell on a market experiencing little offtake and anticipating new Government funding before very long.

Clearers up again

Booyed by NetWest's performance, Lloyds advanced 25 to 563p and Barclays jumped 15 to 498p. Midland touched 479p, but later reacted to finish only a penny dearer on balance at 473p. Elsewhere, Standard Charter dered revived with a gain of 18 at 533p. Merchant banks wers again well to the fore. Kleinwort Benson, still reflecting the arrecent good results, closed 10 up front of the preliminary figures of a sold at 11 to 96p follow-

EQUITY GROUPS

& SUB-SECTIONS

Mechanical Engineering (63) ... Metals and Metal Forming (7).

Leisure (25)
Publishing & Printing (13)
Packaging and Paper (15)
Stores t43)
Textiles (15)

OTHER CROUPS (86)

61 FINANCIAL GROUP(118)
62 Banks (7)
65 Insurance (Life) (9)
66 Insurance (Genoters) (6)
67 Insurance (Brokers) (6)
Mercitant Banks (11)

Property (51)..... Other Financial (25)

Mining Finance (3) ... Overseas Traders (14

PRIÇE INDICES

British Gover

3 Over 15 years_

2 5-15 years .

FT-SE 100 SHARE INDEX 4

FIXED INTEREST

139.60

Chemicals (19)...

GORSUMER GROUP (184)
Brewers and Oistillers (24)
Food Manufacturing (22)
Food Retailing (14)
Health and Household Products (10)...

Trade slackens but equity leaders often consolidate recent gains

FINANCIAL TIMES STOCK INDICES

800p. Schroders gained 1 more to £141 and Leopold Joseph rose 10 to 430p. Henry Ansbacher hardered a couple of pance to 75p awaiting today's annual

7Sp awaiting today's annual results.

Preliminary profits from Sedgewick which fell weil short of most recent optimistic forecasts prompted 6 fall of 17 in the shares to 395p and also brought about sympathetic reactions in other Lloyds Brokers. Stewart Wrightson lost 1 at 392p and Willis Faber fell 8 to 437p. Composites were extremely volatile. GRE dropped to 515p before railying smartly to finish at net 5 higher at 833p, while Royals recovered from 853p to end 2 up at 867p.

Among recently-issued equi-

S53p to end 2 up st 867p.

Among recently-issued equities, Wellcome attracted good support following details of encouraging tests of a compound which may help the treatment of AIDS and the shares touched 217p prior to closing a net 10 np at 205p.

Yesterday's USM newcomer, Meavier-Swain, a lighting and fire alarm products group, made a successful debut; piaced at 120p, the shares opened at 134p and touched 140p before settling at 139p.

Breweries reacted to occasional profit-taking, although dealers

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times,

the Institute of Actuaries and the Faculty of Actuaries

Earnings Yield% (Max.)

7.98 8.72 7.53 8.43 8.49 2.39 5.74 7.63 9.14 7.57 7.69 6.31 7.45 7.45 12.67 9.79 4.28 8.29 8.80

19.24

5.46 7.20

Day's Change %

755.99 1110.49 1946.91 1742.86 397.71 318.65 283.58 1319.33 881.95 861.55 637.83 1867.94

1492.36 916.51

2233.34 449.08 847.49 517.34

588.60 598.55 896.78 482.52 1274.83 352.73 728.11

Wed Mar 12

-8.34 121.38

-0.54 140.36

82.69 -0.01 82.70 -

147.28 -0.86 148.55

zd adj. today

nd anii. 1986 to date

1.97

2.16

3.28

Thurs Mar 13 1986

Gross Div. Yield% (ACT at 30%)

4.25 5.60 3.79 4.21 3.36 2.96 3.40 4.00

Est. P/E Ratio (Net)

15.76

15.60 13.73

17.65

14.70 20.79 16.51

21.17

17.38

15.34 9.54 15.82 12.32

7.32

24.50

Index Oay's Day's Day's Mar Mar Mar Mar Mar Mar Year No. Change High Low 12 11 10 7 6 ago 1616.7 -7.8 1621.6 1610.9 1624.5 1597.1 1572.2 1573.8 1566.1 1299.7

The second secon

Mer. Mar. Mar. Mar. Mar. year 15 12 11 10 7 2 ago Government Secs 88.43 88.88 88.92 87.79 85.22 86.38 72.21 Fixed Interest........ 92,97 23,21 22.62 21,49 21,10 90,90 83.86 Ordinary V...... 1350,2 1330.7 1325,9 1305,6 1308,8 1282,4 990,1
 Gold Mines
 551.0
 532.2
 332.6
 330.4
 333.1
 589.6
 485.2

 Ord, Div. Vield
 4.05
 14.03
 4.05
 4.11
 4.07
 4.10
 4.57

 Earnings, Vid. 2(1eli)
 9.58
 19.58
 19.76
 12.88
 2.83
 9.23
 11.28
 P/E Ratio (net) (*)..... 12.95 +18.94 +19.70 +12.54 12.60 12.46 10.79 Total bargains |2st. 46,772 32,656 40,194 40,348 186,145 35,500 24,164 Equity turnover £m. : 288.46 745.21 535.05 200.12 256.43 395.28 Equity bergains..... 43,117 88,251 38,975 40,209 35,099 21,02n 2hares traded (m)... - 435.4 343.5 313.5 406.0 410.6 190.8

© 10 am 1345.6, 11 am 1343.3. Noon 1350.1. 1 pm 1351.1. 2 gm 1351.4, 3 pm 1351.1. 4 pm 1350.3. Dey's High 1354.0, Day's Law 1342.3. Seeie 100 Government Securities 16/10/26, Fixed interest 1928. Ordinery 1/7/36. Gold Mines 12/9/65. SE Activity 1974. Latest Index 01-28 8025. *Nii=12.46 f Corrected. HIGHS AND LOWS S.E. ACTIVITY

	196	5186	Since Co	mpllatin	INDICES	13	Mar 11
	High	Low	High	Low	Daily Gift Edged		
Gold Mines	(11/6/86) 25.21 (12/5/86) 1350,7 (12/5/88) 636.9	92.17 (28/)(85) 911.0 25/7/86) 217.6	(8/1/86) 150,4 (28/11/47	50.53 (8/1/75) 49.4 28/8/40) 45.5	Bargains Equitise Bargains Value 5 dayAverage Gift Edged Bargains 2 qeities Bargains	1997.9 125,2 253.9	247.9 1606.3 190.0

scheduled for next Thursday, ling speculative buying and AMS featured to the control of Leather, quoted in the Lindau of Leather, qu

Year ago

Mar 10

Tues Na 11

2.04 720.11 705.16 690.71 551.59

1.66 763.92 753.34 737.09 498.17 3.46 1117.33 1895.38 1870.45 692.32 1.58 1959.18 1914.15 1876.89 1502.77

3.46 1117.33 1875.38 1870.45 692.52 1.59 1759.78 191.45 1876.89 1502.77 8.09 1758.79 1743.73 1701.79 1711.38 1.27 379.95 773.68 387.75 277.80 0.00 322.56 318.67 395.89 191.04 0.03 282.56 318.67 395.89 191.04 0.03 282.56 1335.04 1246.46 1248.45 978.92 2.59 883.54 869.33 856.26 643.65 2.59 88 1873.56 1858.72 172.26 2.59 183.54 869.33 856.26 643.65 2.59 1865.34 1854.74 1850.47 1039.39 9.78 985.18 872.73 876.06 664.99 2.36 2246.46 225.89 2185.73 1793.31 451.16 848.43 830.84 811.05 579.39 0.25 1345.34 1874.74 1850.47 1039.39 0.25 139.35 1674.78 1049.55 749.39 0.25 139.35 1674.78 1049.55 749.39 0.25 139.35 1674.78 1049.55 749.39 0.25 139.35 1674.78 1049.55 749.39 0.25 139.35 1674.78 1049.55 749.39 0.25 139.35 1674.78 1049.55 749.39 0.25 139.35 1674.78 1049.55 749.39 0.25 134.54 14.55 940.66 1974.78 1049.55 749.39 0.25 134.54 14.56 14.

4.44 874.42 858.51 843.62 684.83 4.02 585.45 578.07 574.21 456.72 11.28 578.14 562.39 562.56 451.34 9.90 901.87 904.18 901.34 699.12 2.47 463.71 476.38 468.84 330.73 0.95 1307.38 1286.39 1256.43 1180.67 8.06 250.06 346.56 338.46 237.89 1.10 732.27 729.48 730.88 639.74 1.33 338.89 335.17 332.91 293.42 1.34 292.77 729.48 730.98 639.74

3.61 722.77 709.38 702.98 631.72 8.00 276.37 276.45 276.00 288.65 7.85 678.63 679.90 672.69 663.92

Thurs Mar 13

11.01 10.61

185p, on speculative buying amid company. Grand Metropolitan, in contrast, slipped 7 to 376p, but Stakis firmed 3 to 77p, after 50p, following the agreed sale of its D and R. Haddow off-licence division to Victoria Wine, a subsidiary of Allied-Lyons, for 123.5m.

Among Publishers, William Financi Oils ... Oils ...

ment that it will have to provide for an extraordinary loss of approximately £25m as a result of its involvement in tin treding. Elsewhere in the miscellaneous industrial sector, Granada ended 10 off at 272p, after 258p, on news the Rank Oragnisation had lost its application for a judicial review of the IBA's decision to block the latter's takenver bid. review of the IBA's decision to block the latter's takeover bid. Rank gave up 5 to 532p. In contrast, Bridport Gundry rose 9 to 184p in response to the increased interim dividend and profits, while BBA improved 5 to 225p following the preliminary figures. Hawtal Whiting, also reflecting results, sevanced 20 to 450p. Lep Group were favoured at 315p, np 12, along with Evered, which rose 8 to 254p, but porfit-taking left British Aerospace 15 down at 566p and prompted falls of around 10 in Christise's International, 320p, F. H. Tompkins, 242p, and Wm. F. H. Tompkins, 242p, and Wm. Baird, 560p. Pacific Sales met with presistent demand and closed 18 higher et 78p; the closed 18 higher et 78p; the interim figures are due to be announced next Thursday. Markey were actively traded before setlling a penny firmer et 122p, while Williams closed a few pence higher at 598p on the announcement that it bad sold its stake in McKechnie. Among the leaders, Boets featured a gain of 12 at 268p following a beavy traded option businesa. BTR et 488p, gave np 7 of the previous day's good rise which followed the preliminary

Dalgety met with nervous selling and closed 18 down at 247p following the announce-ment that it will have to provide

Television issues again per-formed well. Tyne Tees were particularly firm in the wake of the good results and closed 22 higher at 187p. LWT A, interim figures due on March 20, moved up 15 to 315p and HTV N/V were 14 higher at 200p.

which followed the preliminary

Jaguar were extremely vola-Jaguar were extremely volatile; marked down to 435p in immediate reaction to preliminary profits slightly below market estimates, the shares subsequently attracted considerable support following encouraging notices emanating from the company of the company of the state of the s notices emanating from the company's meeting with city analysts and touched 485p before settling 13 up on balance at 468p, Elsewhere, Lucas, 638p, and Armstrong Equipment, 124p, eased a few pence apjece; both ara scheduled to reveal interimingures later in the current Account, AE, however, sdvanced 6 more to 178p as buyers were wo-day loss of 20 st 260p.

Account AE, however, sdvanced form from the composition of the composition against list in commitment and dipped to 183p before support at the lower level left the close inchanged at 198p.

Dalgety sold

Trusthouse Forte highlighted Hotels, rising 9 to 184p, after lesses for the composition of the compositi

expectations.

of 115 to 470p. USM-quoted Promotions House were marked 6 higher to 29p following the share-exchange bild from WPP.

couple of pence cheaper st 368p.
Full-year results from Royal
Dutch/Shell were in line with
most analysts forecasts and Shell
moved shead strongly to touch
776p before profit-taking and 2
markdoorn by a leading jobber 776p before profit-taking and 2 mark-down by a leading jobber saw the quotetion retreat to a closing level of 757p, 2 net gain of 12. Royal Dutch moved up to 550½ before closing £3 firmer on balance at £49½. Other leading olls were steady at the outset and edged bigher in sympathy with Shell following the latter's results. However, the marking down manouvre unsettled the rest of the sector which subsequently gave ground to close with widespread losses on galance. BP were finally 10 cheaper at 550p, as were LASMO, 140p. Britoil alipped from an 140p. Britoil alipped from an initial 191p to close 7 down at 180p. Tricentrol, due 10 announce full-year figures on March 26, fell 7 to 8 1985-6 low of 108p. Further consideration of the sharp reduction in profits left Ultramar down 5 at 198p.

Golds firmer

The firm showing by bullion overnight in New York brought a similarly good performance from the metal price in London and prompted a widespread advance by gold and related sectors of mining markets. Although again overshadowed by business in equity sectors demand for South African golds was persistent and, belved by a was persistent and, belped by a downturn in the sterling rate against the dollar, share prices gradually improved throughout the session. The Gold Mines index—down 17.5 over the prerallied 8.8 to 331.0. Bullion topped the \$350 an ounce level during the morning, but subsequently eased to close a net \$3.75 higher at \$348.25 an ounce.

Rio Tinto-Zinc featured UK
Financlals, and moved up to 630p
st one point following a substantial traded options business
before easing back to close a net
14 higher at 627p. Hampton
Areas edged up 3 to 120p following Press suggestions of a possible bid from Australia's Elders
IXI.

Among Australian mines, CRA closed 8 up at 290p. Peke-Walisend 4 firmer at 250p and Wallsend 4 firmer at 250p and Western Mining a shade better at 167p. In Golds, rises of 15 were common to GMK and Central Norseman at 395p and 378p respectively, while Poseidon, recently firm on talk of a bid from Western Mining, put on 6 to 156p. Sons of Gwalia were 3 hetter at a 1985-86 high of 190p. Among speculative issues, Southern Ventures jumped 5 to 67p, Brunswick rose 2 to 23p and Paragon Resources edged up a penny to 14p.

29 392 771 90 30 66 6 6 26 63 106

RECENT ISSUES

EQUITIES											
Issue	Amount paid up	Lateot Renuno.		15/6 Low	Stock	Ologing	+0	NA NA	Times	Aloga Viold	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
\$160 FF \$105 105 \$127 \$127 \$145	F.P.P.P.P.P.P.P.P.P.P.P.P.P.P.P.P.P.P.P	14:3 7:6 4:4	199 135 68 165 143 140 140	180 130 65 .145	4-BPP Hidgs. 10p	68 148 156 132 140 165 800	+5 +5 -2	R5.0 R3.3 R1.0 R2,5 R1.78 u2,5	2,6 6.6 3,5 4.5 6.0	3.2 1.1 2,3 1.2 2,3	17, 29, 15, 17, 10,
\$60 †† 213 100	F.P.	4/4 27/3 1/8 97/3	95 95 227	83	Telfos Werrants Templeton Galbraith 7hrogmorton USM	21 25 227 102 905	+1	Q5,97c u2,08	2.3	1.9	21

FIXED INTEREST STOCKS

price .	Amount sald up	Latent Renuno. dato	126 High	616	6tock	Closing price £	+-
67. 203 88. 255 \$88. 287. \$99. 745 \$22. 11. 84. 217. 98. 277. 474. 11. 127. 256. \$99. 706'	F.P. 230 225 F.P. F.P. F.P. F.P. F.P. P.P. E30 NII F.P. F.P. NII E3S F.P. P.P. P.P. NII E3S	27/4 11/4 10/4 10/4 10/4 10/4 10/4 10/4 10	10534 374 1120 1250 1109 1123 105 34 1159 1072 1004 1640 5094	821 301 951 110 125 103 991 197 107 99 1001 140 50pn 251	2 Allied Lon. Props. 1973 istMort.0 sb. 2025 2 American Medical Intl. 828 Uns. Ln. 261 is 2 Centrovincial Ests. 11 13 ist Mort Ibb. 2016 9 Chillington 2128 Cenn. Red. Pref. 10 oevenieh IJ.A., 4.38 Cnv. 2nd. Pref. 2 First Scot. Am. 11 12% Deb. 2018 2 First Scot. Am. 11 12% Deb. 2018 2 First Scot. Am. 11 12% Deb. 2018 2 Finter-Am Cev 8k 932 Uns. Ln. 2015 2 Inter-Am Cev 8k 932 Uns. Ln. 2015 3 Inter-Am Cev 8k 932 Uns. Ln. 2015 3 Inter-Am Cev 8k 932 Uns. Ln. 2015 4 Mattionwide Bido. Scot. 18 42 213/67 5 Parkfield 7g Cum. Onv. Prf. 2005 6 Porter Chac. 5% Cnv. Cum. Red. Prf. 85 7 Samuel Props. 11% Set. Mort. Deb. 2018 T. T. Finance 11 1/2% Gtd. Oeb. 2018	3612 1120 1250 108p 11212 105 3214 1120 10712 10078 164p 50pm 3412 10942	-14 +1 -14 +2 -14 -14 -14

RIGHTS OFFERS

issue C p	Latest Renunc.			štock		
200 Mil 102 Nil 330 Hil 250 Nil 70 Nil 94 F.P. 215 F.P. 220 Nil 115 Hil 140 F.P. 60 F.P.	11/4 9:4 30/4 26/3 24/5 84/4 25/4 27/3	78pm 2pm 78pm 45pm 11pm 12p 600 75pm 180 85	1 pm 50 pm 56 pm 5 pm 106 669 58 pm	Cullens Hidgs. 10p	750m	

Renunciation data useally lest day for dealing free of stamp daty. b Figurea based on prospectus estimates. 2 Assumed dividend and yield. Forecast dividend cover on earlings epotate by fatest interim enterment. H Oxidend end Yield based on prospectes or other official astimates for 1986, R Forecast annualleed dividend, cover end p/e ratio based on prospectus or other official estimates, s lodicated dividends; cover relates to previous dividend; p/s ratio based on Jatest sames! semings. u Forecast, or estimated annealized dividend rate, cover based on previous year; semings. I issued by under. g Offered holders of ordinary eheres as a "rights," in introduction. "I issued by way of capitalization. E Placing price. \$ Reintroduced. It issued in connection with reorganisation, marger or takeover. Mallotment price. & Unlisted securities market. If Pash is under Rele 535 (3), Pash is under Rule 535 (4) (e), it Units comprising two ordinary, one preference and one warrant.

Sears, Wellcome and BTR. A put was taken out in Polly Peck, but no doubles wer? reported.

TRADITIONAL OPTIONS NEW HIGHS AND LOWS FOR 1985/6 Last Last For Deal- Declara- Settle-

ings ings tion ment
Mar 3 Mar 14 June 12 June 23
Mar 17 Apr 4 June 26 July 7
Apr 7 Apr 18 July 10 July 21
For rate indications see end of Chemicals (2), Engineering (15).

LUNIX Trust Service

LUNIX Trust Service

LECTRICALS (7), ENGINEERING (15). Call options were taken out in Poops: (4); HOTELS. (7), INDUSTRIALS "Call options were taken out in (35). INSURANCE (3), LEISURE (6). Thomas Locker A, Polly Peck, Motors (6), NewSpapers (1), William Morris Fine Arts, Paper (2), Property (8), Textues Andiotropic, Marley, Lourho, (4), TRUSTS (92), OILS (1), OVERSEAS TRADERS (2), MINES (4). Premier Oil, Barratt Developments, Rockware, Hanson Trust, NEW LOWS (15) Arncliffe, Arthur Lee, Palma, Muemos, Good Relations, Sun-leigh, Westland, Chloride, BL,

ELECTRICALS (1) Wordplex, PROPERTY (1) Agex Fross, SNIPPING (1) Fisher (1.), TRUSTS (1) Flextech, Olls (4) Aberdeen American Petroleum, Aran Engryy, Cons. 101, Petroleum, Tricantrol, FLARITATIONS (5) Anglo-East Planitations, Cons. Plantations, Herrisons Meleysian Planta, Utahlands and Lowlands, Kusia Kepong,

Contract and the

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R-THE

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4.70

Index No. No. YESTERDAY'S **ACTIVE STOCKS**

741117 614		_	
Above everage activity the following stocks ye	sterdey		Besed
Stock Appleyerd Zerclays Ziriish Telecom Fergebrook Granada Jaguar HerWest Zenk HerWest Zenk Shell Transport Trusthouse Ferse Wellcome Wordglex	Closing	shanga + 15	Storm Stell SP

WEDNESDAY'S ACTIVE STOCKS d On bergelns recorded in 3100

i following atocks v	esterde v		ERCHANZS UNIC	rai mari		
Stock Stock playerd relays rgabrook	Closing price 138 498 212		Srock BTR CKH Shell Tmne	No. of changes 42 32 32 27	495 348 745 570	Osy's change +35 +12 +30 +23
anada	272	-10	Resters 8		468	+28
RURE	468	+13	Tmfelger Hoese	24	336	+15
tWest Zenk		+42	2ejem	. 21	162	-15
Denix Props. 6 Fin.		+ 4	900ts	. 21	254	+12
ell Transport		+12	Lee (Arthur)	. 21	66	+ 72
sthouse Ferte		+ 2	Altied-Lyone	. 20	310	-10
allcome		+10	Marley	. 20	121	+ 412
ordolex		-33	Prudenilei		903	- 2

EUROPEAN OPTIONS EXCHANGE Vol. | Last | Vol. Last | Stock

		'							
GOLD C	\$340; 87 \$350; 30 2860; 45 \$380; 12	12,50B 13,50B 2,40 3,50	20	18.508	2	6	6 340.70		
GOLD P GOLD P GOLD P GOLD P	8800 40 6680 12 8660 110 8840 52	1,40 5,60 6,40	=	: <u>=</u>	Ξ	=			
GOLD P	•	tur.	Ξ.	me :	_	ept.	` "		
SILVER C	5600: 24	. 6	"	·	_		18572		
SILVER P	8650 — FI,376 8	3,20 B	19	7.60	19	10	F1.677.75		
EFL C	F1.526 — F1.400 —	-	61	2,20	26 111	2.50	H		
5/FL C	FL250 16	2	856	12.60	94	10.30 E	FL259		
SIFL C	FL256 225 F1.260 203	5.70 2.60	12 108 283	8.60 9	36	1 2,60	1 11		
SIFL C	FI.265 23 FI.970 —	0,60	283 41	6.30	67	7	! "		
2/FL C	FL276, — FL285; —	i = 1	50 20	2.50	10	3.20 9.20			
6:FL P	FI.243 25	0.50	40	3 1	1	3.20	"		
S/FL P	FI.250 47 FI.255 292	1,40	75 43	6,30	-	¦ ~	1 "		
SIFL P	F1.260 12 F1.270, 251	3.60 11,30	11	6.60 A	=	; =	;;		
SIFL P	F1,275 —	f-1-	21	18,50	-		í ii,		
		er.	10	_	٥_				
ABN P	F1.600 254 F1.520 74	10.90	_	22 !	3		FI. 667		
AEGN C	FI.115 37	1,90	70	4.60 i	7 15	7.50 A	IF). 167,90		
AH D	FI.80 530 FI.80 421	6,20 ≰,80A	49	6,50	15	8	F1, 79		
AH P AKZO C	F1.120; 306) 1,90	5 <u>21</u>	3.10	120 22	8,90 11,50	F1.169,80		
AKZO P AMEV C	FI.80: 55	4,60 3,60		9.20 6.70	_	; –	FL 78,20		
AMEV P	FI.75 FI.100 296	2		3,10	25	E	F1.109		
AMRO P	FI.110 132	5.50 13,50	-	= 1	ā	28	FL275.60		
GIST C	F1.270 250 F1.250 180 F1.210 112	. 6	10	7.50	-	-	F1.255.50		
HEIN C HEIN P	F1.810, 112 F1.830, 70	22	4 30	7.60 B	4	2.50	F		
HOOG C	FI.9G 332	4.10	160	7.20	35	10	F1. 93,20		
HOOG P KLM C	FI.85 21 FI.55 598	0.20	25 196	3,10 3,80	•••	4.90	FI, 61,90		
KLM P NEDL C	FI.30 620 FI.190 84	1.90 5.50	725 28	8.50 H	98	4	FI.182		
NEDL P	FI.170! —	1 - i	62	(11 :	13	16	1 10		
NATH C	FLB0, 85 F1,85 6	3,20 5,50		6.30 7.40	12	7,20 6.50	:F],80,80		
PETR C	Fr.6500 22 Fr.6500 20	650	Ξ	¦ " <u>~</u> !	Ξ	: =	Fr, 7240		
PHIL C	F1.65; 472	1.70	98	3.80	76	5	FI. 65.60		
PHIL P RD C	FI.80: 163 FI.160 4568	0.70 10,10	49 1097	2,40 B 12,60	66 636	6.30 7.50	F1.187.70		
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UNIL P	Fi.400 196 UME IN CONTRA			22 /	-		· . ».		
10,70	A=Ack A=Bid C=Call P=Put								

LONDON TRADED OPTIONS

LUNDON IRADED UPITONS															
		,	CALLS	1		PUTA	1				ALLS 	1 		PUTS	
Option	1	Aor.	July	Oct.	Apr.	anta	Oct.	Option	-	Мау	Aug.	Nov.	May	Aug.	Nov.
8.P. (*560)	500 550 600	57 50 10	82 48 80	93 55 30	18 60	26 52	20 36 60	P. & O. (*625)	420 460 600 660	110 70 45 80	125 68 60 53	100 79 45	9 3 18 38	3 8 26 45	13 28 45
Cons. Gold (*474)	420 460 500	\$7 22 11	70 47 27	ng 67	22 44	10 27 67	35 64	Recal (*204)	160 180 200 220	50 34 22	66 42 60 18	48 58 24	5 n 14 24	10 19 28	15 22 32
Courtauide (*252)	200 220 240 260	74 54 37 12	77 57 32 28	82 62 48 38	22 4 8	2 4 7 10	8 8 16	R.T.Z. (*222)	600 560 600 560	140 95 47 23	147 104 67 36	114	.5 5 .	12 27	17
Com. Union (*299)	240 260 250 500	52 45 24 15	02 50 33 22	74 55 41 29	1 1/2 3 10 17	5 7 14	7 12 18 26	Vasi Reefs (*583)	90 70 80	25 17 2	22 21 13	26 161 ₂	67 214 214	47 11g 41g 8	54
Cable &Wire (*890)	250 500 260 700	155 105 66 62	180 130 87 25	205 165 120 88	1 8 12 55	5 10 26 60	7 12 40 60	7R11381891 ("£107 ₁	90 104 106 108	3 1 1 0 1		10 5 2 2 6 178	111g 0改 1位 24	131 ₂ 1 de 1 de 27 ₈	144 156 212 516
Distillers (*618)	600 660 600 660	130 80 38 10	132 32 46 12	83 47 95	1 1 2 57	11 ₂ 11 ₃ 12 40	5 15 40	TR11#395/07 (*£118)	110 112 114 116 119	81g 61s 61s 354	275 711 615 514	834 7% nia 516	0 0 0 0 1 3 6 4 6 7	01ts 11s 12ts 41s	1 13 250 54 41s
0.E.C. *214)	160 180	54 36	52	70 60	9	5	1 8		120	258 1/2	5 18 6 18	4.4	64	416	61
	200 220	12 2 .	28	36 24	18	12 22	16 26	Option	300	Mar.	June	Sept.	Mar.	Juste	Sept.
0 rand Met. (*578)	500 527 555 582	66 66 36 12	98 75 58 55	85 68 45	1 8 17	27 16 25	2 15 52	(-356)	560 550 590	80 30 6	70 60 32 12	80 60 43 27	1 5 12 65	19 27 40	15 60 48
I.C.I. (*992)	900 950 950	155 103 55 40	175 128 90 50	190 143 102 64	5 7 20 40	9 16 52 45	14 25 37 86	9TR	220 240 290	91 7	60 67 18	58 40 22	19	11 17	14 28
Land Sec. (*312)	360 300 300	43 24 8	SI S5 15	59 42 26	9 7 22	15 22	20 32	(*490) Bass (*707)	420 460 500 260	70 60	85 86 130	95 · 65	2 5 11 ₂	5 7 18	10 90
Marks & Sp. *127;	140 160 120	61 41 84	49	58 38	1 1	3 2	4	Blue Circle	700 650	46 12	26 51 58 55	110 76 87 29	17:	1n 35	25 40 25
Shell Trans. (*751)	550 700	115 65	117 173 43	185 85	7 17	10 26 47	18	De Beers (*\$7,20)	650 700 750	78 35 8	113 70 60	130 105 80	23 15 45	36 22 53 90	40 47 58
Traffgar Nac (*881)	} 330	30 -32 -16	41 22	53	42 18	10	14 28	GKN (*847)	280 300 330 360	67 47 17	73 32 34	80 63 44	1 2 9	5 2	6 11 18
	660) 7) 15 —	9 21	84	23 58	52	Classo (*1005)	900	115	160	186	1n	26	30
Ориог		May	Aug.	Nov.	May	Aeg.	Hov.		950 1000 1050	55 25 10	118 75 45	150 90 70	12 25 70	35 50 80	45 90 100
8rit. Aero (*578)	460 500 550 600	115 23 45 20	150 100 50 30	153 123 78 50	2 6 80 47	12 30 16	18 50 60	(*179)	150 160 165 190	28	50 35 28	86 40 65	1 - 2	3 6	5 6
BAT)nds (*376)	500 330 560	88 60 33	102 82 66	95 68	11g	8	116	Jagear (*470)	590 480 460	82 52 18	88 63	22 98 77	11 ₂	14	16 18
Barolays	390 4 420	18	1110	46	13 28	18 36	40	Thorn EMI	590	7 100	2n 115	60 88 130	40 1	26 60	66
(*469)	460 600	57 30	47		10 25	13 32	20 40	(*484)	420 460 500	70 68 10	85 55 30	100 72 45	9 4 15	8 15 30	13 22 40
art Talecom (*232 ₁	240	12 7	32 12 12	38 28 19	t1 27	7 17 30	22 33	Tesco (*853)	280 500 550 320	58 38 13	58 46 25 18	78 50 40	1 6 5	6 2 22	8 15 27
imperial Gr. (*315)	300 330	52 55 17	33 40 22	43 34	1 3 12	5 12	27 20	Option	Ma	7	 i	18 Jun.	28	43 T. May	45
LASMO *146;	140 160 180 200 220	22 14 8 6	30 20 14 8	37 28	10 20 38 58 78	18 27 40 58	20 30 	10	25 19 50 16 76 14 00 11	7 127	217 198 167 142 128	=	11	 1 3	ΙΞ
Lonrho (*236)	220 240 860	65 42 35 22	71 63 40 30	61 46	11 ₂ 3	4 9	14	15 16 16	95 2 50 7 75 5 00 4	9 102 9 87 3 76 68	106 90 76	117 106 11 94 2	2	38 38 44	88 42 53
!	280 500	1 14	20	50 50	17 27	10 63	25 78	March : Puts	10 Tat 5,307	al cont "Und	racts 2 orbine	3,279	Calls	28,372	•

8.94 9.15 9.15 10.11 9.63 9.43 19.11 9.59 9.07 11.9% 11.9% 11.27 10.70 12.0% 11.49 18.84 18.27 7.10 9.98 9.53 9.31 10.07 9.68 9.40 1.62 -0.31 166.47 165.96 2.27 135.94 -6.52 136.64 5 Aff stocks ... index-Linked
11 Inflat'n rate 5% 5 yrs...
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14 Inflat'n rate 10% 0ver 5 yrs... Index-Linked 4.45 3.76 3.44 3.61 -0.11 108.97 6 5 years... 109.43 -6.11 109.56 0.92 7 Over 5 years.. 0.90 199,33 -8.11 109.45 B All stocks. 10.55 12.23 5 years.... 19.43 19.32 2.07 119.58 -0.28 | 119.92 | -

\$ Opening index 1620.0; 10 am 1617.8; 11 am 1612.8; Noon 1618.8; 1 pm 1620.2; 2 pm 1621.0; 3 pm 1619.1; 3.30 pm 1616.7; 4 pm 1616.8.

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituent is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 28p.

2.08

WODI'D STOCK MADKETS

WORLD STOCK MARKETS								
AUSTRIA GERMANY NORWAY NORWAY AUSTRALIA (continued) JAPAN (continued) Mar. 15 Price + or Mar. 15 Price + or Mar. 15	CANADA							
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Dermart	March March March March March March 1985/86 Since Compilation March 13 12 11 10 77 2 1695 1695 1696							
OVER-THE-COUNTER Nasdaq national market, 2.30pm prices Suck Sales High Law Lest Chay Suck Sales High Law Lest Chay Stock Sales High Law Lest Chay Stock Sales High Law	H.Y.S.E. ALL COMMON RISES AND FALLS 2 INGAPORE Straits Times (30/12/65) 584.88 681.34 805.25 697.72 662.65 (7/5/85) 584.88(15/5/866) 8 SOUTH AFRICA JSE Gold (38/9/78) - 1290.5 182.7 199.7 1387.8(27/1/68) 829.3 (5/6) Last Chry 134.27 134.17 134.17 134.17 94.80 858 1.045 705							
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HAND DELIVERY SERVICE

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19 CONTROL CON

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GRONINGEN/THE HAGUE/HAARLEM/HEEMSTEDE/
LEIDEN/LEIDERDORP/OEGSTGEEST/
RUSWUK/ROTTERDAM/UTRECHT/WASSENAAR

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THE NETHERLANDS

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NEW YORK STOCK EXCHANGE COMPOSITE PRICES 36 12 30 16 C C 12 11 20 19 6.7 6 19 9 6 10 19 11 9 9 6 9 9 18 8 0 8 4 1.772.36 1.772.36 1.36

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8-dividend also extra(s), b-annual rate of dividend plus stock dividend o-liquidating dividend, did-calledut-new yearly low, e-dividend declared or paid in preceding 12 months, g-dividend in Canadian lunds, subject to 15% non-rasidence tox. I-dividend declared of paid they year, omitted, deferred, or no action taken at latest dividend meeting, k-dividend declared or paid this year, omitted, deferred, or no action taken at latest dividend meeting, k-dividend declared or paid this year, on accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading, nd-next day delivery, P/E-price-cernings rate, n-dividend, e-stock split, bit-stock in proceeding 12 months, plus stock dividend, e-stock split, bit-stock in praceding 12 months, plus stock dividend, e-stock split, bit-stock in praceding 12 months, estimated cash value on ex-dividend or ex-distribution date, u-new yearly high, u-making halted, vi-in bankruptoy or receivership or being reorganised under the Bankruptoy or receivership or warmants. y-ex-dividend or ex-rights, xitie-ax-distribution, xw-with warmants, x-ex-dividend or ex-rights, xitie-ax-distribution, xw-with warmants, x-ex-dividend or ex-rights. .12 1.04 1.52 .15 .68b .08i

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 < AZIAT TERMENTER AND SERVED STORES AND SERVED STORES AND SERVED SE SPOTE BO Sabing Die Sabing D 첉똣쀼다ᅮᇿ뜣꺯콅束쁙꿃캮툿놧챬윘휸됈췙됈뚈뜡╴ᆠ뢦놁쿿텧묏찞뜐돸탶턌똣춖럇뿄뽰뽰뽰첉퍞쁔쾪낕찞똣뚌╸엳붭됈쾶웝찞잗졞첉캶첉냋첉뽰뽰껿뽰뽰뽰뽰 췙 | SounGal | 66 | 12% | 11% | 11% | -5 | 30% | 21% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12% | 12

FINANCIAL TIMES WORLD STOCK MARKETS

WALL STREET

Record run checked by profit-taking

TURNOVER in the US stock markets was much reduced yesterday, leaving sbare prices responding with uncertainty to weakness in federal bonds and oil futures, writes Terry Byland in New

The Dow edged to new peaks at mid-session but the broader market turned

sluggish. Bonds plunged by a full point after federal data on February retail sales sparked off bond futures selling. Longterm yields returned to the 8 per cent plus range and short-term rates re-

mained firm. Credit markets, disappointed with the dip of only 0.1 per cent in the retail statistics, face further tests today when federal data on producer prices and industrial production are due.

Also causing nervousness in the bond market was the firmer oil price trend in US markets ahead of this weekend's

meeting of Opec ministers. The stock market opened down, in the shadow of the credit sector, but buyers appeared at the lower levels, turning blue chips higher. Progress was uncertain, however, and the advance was periodically checked by profit-taking.

Frankfurt

Dec 1, 1953-100

Paris

CAC General Dec 31, 1982-100

1982

March 13 Previous 1,757.66* 1,745.45 1,261.70

STOCK MARKET INDICES

811.58*

188.24*

233.70*

1,616.7

786.59

867,90

9.59

115.02

331.0

1983

806.18

188.40

232.54

1,350,7

1.624.5

790.28

874.42

322.2

14.414.66 14.238.13 12.419.30

1,153.45 1,145.06 986.53

1,076.8

517.4

114.15

3.346.73 3.343.87 2.310.05

2,339.7° 2,364.8 2,024.0 2,975.8° 2,993.9 2,588.9

1.518.4* 1.528.57

9.40

1984

608.61

148.44

178.19

1,295.2 625,62

684.53

485.9

787,4

471.2

10.81

1985

DM

SFr

Yen

1500

1000

NEW YORK

DJ Industrials

DJ Transport

S&P Composite

DJ Utilities

LONDON

FT Ord

FT-SE 100

FT-A 500

TOKYO

Nikkei

Tokyo SE

AUSTRALIA

All Ord.

AUSTRIA **Credit Aktier**

BELGIUM

CANADA

Belgian 5E

Metals & Mints

Composite

Montrea

Metals & Mins.

FT-A All-share

FT Gold mines

FT-A Long gift

KEY MARKET MONITORS

At the close the Dow Jones industrial average was up 8.26 at 1,753.71.

The Dow was boosted by strong gains in tobacco stocks after what a Philip Morris executive described as "a great victory" in the industry's product liability battles. Philip Morris jumped \$4½ to \$113% and R. J. Reynolds \$1% to \$40%, both heavily traded after a federal appeals court ruled that internal corporate documents need not be made publicly

The retail sector brightened after K mart allayed fears over retail sales with news of increased earnings in the final quarter of last year. At \$42, K mart, the leading US discounter, gained \$114, with heavy buying lifting the stock to the head of the NYSE actives list. Strong in K mart's wake was Federated Department Stores, up \$2% at \$77%.

Oils gave up a fraction of this week's gains as several major producers disclosed plans for severe cuts in this year's capital spending plans. Exxon dipped \$\%\ to \$54\% and Chevron \$\%\ to \$37\%, both after announcing spending cuts. Atlantic Richfield eased \$% to \$52%, but Mobil resisted the trend with a gain of \$1/4 to

The Detroit carmakers moved cautiously as the industry reported the lat-est sales statistics. Ford, reported to be on the verge of a management reshuffle, added \$% to \$72%, while General Motors.

at \$79, showed no change.

IBM steadied after the selling bout seen late on Wednesday, edging up \$\% to \$149\% in brisk turnover. Digital equipment was strong, jumping \$2\% to \$187\% but gains in the rest of the sector were

Western Air, the latest takeover fea-

CURRENCIES

2.284

180.25

1.934

2.578

46.7

1.394 1.3972 2.0381 2.05325

1,552.5

INTEREST RATES

US DOLLAR

179.9

1.932

2.591

1,557.5

(3-month offered rate

46.9

1700

1300

1200

1.4575

3.3525

3.7825

68.55

317/1 47/4 14%

264.5

STERLING

2.82 2.8375

2,273.0 2,278.25

March 13 Provious

1,45975

3.35

3.78

68.45

3% 4%

252.5

ture, continued to boil away in heavy trading, although the price shaded 5% to \$11%. Domestic carriers edged around their overnight levels without attracting much attention. Delta, at \$41%, firmed

Westinghouse Electric dipped \$% to \$50% in a cautious response to allegations of bribery on contracts in the Philippines. Western Union, which is planning a restructuring in the face of its financial problems, fell \$1% to \$50%.

This week's rise in short-term market rates brought profit-taking io banks, where J. P. Morgan lost \$1% to \$76% and Chase Manhattan \$1% to \$46%.

Monsanto stood out in a dull chemicals sector, with a gain of \$1% to \$59%. But uncertainty over the next phase of the dollar left drug stocks mixed, with Bristol Myers a weak spot, down \$1% at

With federal funds trading steadily at 7½ per cent, which is inside the market's preferred range, short-term and moneymarket rates showed little change from overnight. The credit market, which began the week boping for further cuts in bank prime rates or even in federal discount rates, has become unsettled by renewed firmness in federal funds.

The bond market was flat from the opening, as traders waited for the federal authorities to issue further economic data, and for the Opec ministers to disclose their latest views on world oil

TOKYO

Undeterred by rise in margin level

HIGHER margin requirements failed to subdue hectic buying in Tokyo yester-day, with the Nikkei average scoring its 10th consecutive rise in the fourth most active trading session on record, writes Shigeo Nishiwaki of Jiji Press,

The market indicator registered its seventh largest rise of 176.53 to close at 14,414.86, another record. Trading rose from 1,108.95m shares on Wednesday to 1,292.05m. Gains and losses were virtually balanced at 444 to 449, respectively, with 103 issues unchanged.

The Tokyo Stock Exchange raised its margin requirements by 10 per cent to 60 per cent to take some heat out of the market. But investors, who believed in-terest rate cuts would lead to higher world stock prices, remained undaunted and continued to buy, pushing prices up further.

Power stocks remained popular, with Tokyo Electric Power climbing Y40 to Y3,470 and Chugoku Electric Power soaring Y100 to Y2,020. But caution set in as some power stocks have already reached record highs this week. Kansai Electric Power lost Y10 to Y2,490 and Tokyo Gas finished Y7 up at Y382, bolstered by the day's heaviest trading of

Nippon Express, popular for its urban redevelopment projects, rose Y18 to Y747. Mitsubishi Heavy Industries, second busiest with 43.9m shares traded, firmed Y11 to Y404, and Nippon Steel, third most active with 40.4m, added YI

Some railways also gained ground on news of urban redevelopment projects: Among them were Odakyu Electric Railway, Y48 up at Y750, and Keisei Electric Railway, Y31 up at Y458.

Nippon Oil jumped Y76 to Y969, while Koa Oil scored a daily limit increase of Y100 to Y678. Nippon Mining added Y35 to Y449 on brisk sales by its oil division and rumours of speculator buying.

Among hiotechnologies, Kyowa Hakko rose Y200, its daily limit, to Y1,470, and Dainippon Pharmaceutical closed at Y2,980, up Y90. Elsewhere, Tokio Marine and Fire was Y40 up at Y1,050 and Nomura Securities Y30 up at Y1,480. Bond trading was calm with most

dealers retreating to the sidelines as yields on major issues tumbled below 5 per cent on Wednesday for the first time in post-war history. The yield on the benchmark 6.2 per cent government bond maturing in July 1995 fell to 4.965 per cent from 4.980 per cent.

Dealers are mainly bullish about the medium-term outlook of the bond market as they expect US and Japanese interest rates to go lower. But caution set in after Wednesday's precipitous drop in yields and dealers kept away from the market in the absence of fresb incen-

AUSTRALIA

INDUSTRIALS and gold boosted Sydney to another record high in active trading, leading the All Ordinaries index up 9.1 to 1,085.8.

Takeover activity involving BHP and Bell Resources provided much of the session's interest. Bell Resources jumped 40 cents to A\$5.50, while BHP slipped 4 cents to A\$6.40.

Among metal and gold mining shares CRA added 10 cents to AS6.06, Western Mining 4 cents to A\$3.52 and Kidston Gold 20 cents to A\$6.30.

Banks closed generally mixed, following some profit-taking. ANZ slipped 4 cents to A\$5.48, Westpac was up 10 cents at A\$5.88 and National Australia lost 2 cents to A\$5.78.

Oil and gas stocks were also mixed with Santos up 5 cents to AS3.85 and Bridge Oil down 5 cents to A\$1.65.

Elsewhere, CSR firmed 5 cents to A\$310, News Corp jumped 30 cents to A\$14.50, Elders IXL rose 5 cents to A\$3.55 and Lend Lease added 30 cents to

EUROPE

Rate cuts continue to **boost Paris**

this week and most major bourses paused yesterday to catch their breath as profit takers moved in to take gains.

There were some exceptions, bow-ever. Paris contioued to edge higher, aided by a dip in the overnight call money rate and a fall in French inflation. Gains were recorded despite nervousness ahead of the national legislative

elections this weekend. As a result of lower interest rates, building issues rose on bopes that cheaper money would be directed to-

wards the purchase of property. Lafarge-Coppee, which led the sector, put on FFr 48 to FFr 1,058 while Colas, a strong performer on Wednesday, continued to climb with a FFr 30 gain to FFr 560. Maisons Phenix added FFr 8 to

The rising dollar was a positive influence on export oriented food and drinks issues. Pernod Richard added FFr 13 to FFr 993, Beghin-Say gained FFr 21 to FFr 405, while rosebush-to-champagne group Moët-Hennessy slipped FFr 4 to FFr 2,125.

Car issues benefited from the dollar's upturn and Peugeot put on FFr 17 to FFr 890. Michelin gained FFr 96 to FFr 2,489. Optimism was encouraged by com-ments from Bank of France Governor Michel Camdessus over the possible abolition of exchange controls, made possible by successful deflationary policies which seem to be holding down wage costs and improving corporate profits.

Madrid posted a record rise on the hack of enthuslasm fostered by Spain's convincing vote to remain in Nato. The Madrid Stock Exchange index rose 6.78 to 150.23.

In shares traded, 86 rose while two

Utilities were the rally leaders while banks also put in a fine performance. Banco Vizcaya gained Pta 50 to Pta 1,056 and Banco Central added Pta 25 to

After a favourable position-squaring

session on Wednesday, Milan climbed to a peak yesterday in extremely heavy

The Banca Commerciale index surged 21.2 to a record 635.89.

Some major issues, including Banca Commerciale, Buitoni and Banco di Roma, were suspended after exceeding the

permitted 20 per cent daily gain.
Fiat moved L25 ahead to L9,880, while Pirelli, buoyed by improved profits, advanced L220 to L8,070.

A central bank cut in the discount rate fuelled interest in Stockholm and blue chips moved higher across the board. Ericsson gained SKr 2 to SKr 265 ahead of its 1985 results, Volvo added

SKr 3 to SKr 309. Elsewhere, bourses turned mixed to lower on profit-taking.
In Frankfurt, the Commerzbank index

slipped 8.8 to 2,088.5 as only a few minor gains were recorded.

Chemical issues were hardest hit with drops of DM 8 to DM 342 recorded for Bayer, DM 5.60 to DM 319.90 for BASF and DM 5.40 to DM 323.50 for Hoechst. Banks were mixed as profit-taking off-

set the decline in interest rates. Commerzbank added DM 1 to DM 318, Bonds eased as investors consolidated their position. The Bundesbank gave

sizeable eocouragement, purchasing DM 165.9m worth of domestic paper after selling DM 71.4m in the previous Rises continued to outnumber falls in

Amsterdam where prices ended mixed in a quiet session.

Royal Dutch was the favourite after announcing lower profits for 1985 hut a higher dividend. It added Fl 6.80 to Fl

Bonds were lower where changed. Profit-taking clawed at gains in Zurich and Brussels. Swissair dropped SFr 35 to SFr 2,095 after higher profits, an increased dividend and a rights issue. proposal.

CANADA

ACTIVE trading saw Toronto trade lower after the record gains in the previous

Much of the decline was led by golds, metals and minings. Lac Minerals traded CS½ off at CS22½, Noranda CS½ to CS184, Dome Mines CS4 to CS124 and Alcan CS% to C\$47%.
In Montreal industrials and banks

traded slightly down, while utilities generally showed small gains.

LONDON

CAUTION dominated London following Wednesday's record rise. However, some equity leaders were able to consolidate gains and the FT Ordinary index closed 0.1 off at 1,349.7.

The pace slackened early on after British Telecom announced disappointing third-quarter results. It closed 14p down at 218p.

Banks, however, showed some good gains in active trading on news that Nat-West, up 42p at 783p, was the subject of a "buy" recommendation. Barclays added 15p to 498p.

Concern that the expected cut in UK

interest rates could be delayed left longer-dated gilts with widespread falls

ranging to 11/4.

Chief price changes, Page 47, Details, Page 46; Share information service, Pages 44–45

HONG KONG

BARGAIN-HUNTERS took Hong Kong sharply higher after the sharp falls in the previous session.

Properties led the advance and the Hang Seng index closed 22.30 higher to 1,612.87.

At the end of the session Hutchison Whampoa was 40 cents up to HK\$24.20, Jardine Matheson 20 cents to HK\$11.60 and Swire Pacific 75 cents to HK\$30.75. Cheung Kong, however, was 40 cents down at HK\$18.50.

Banks closed mixed with Hang Seng down 25 cents at HKS44.50, East Asia unchanged at HKS19 and Hongkong and Shanghai up 15 cents at HK\$7.70.

SOUTH AFRICA

GOLDS continued to firm in Johannesburg as the bullion price showed further strength. Trading, however, was quiet, and gains were generally light.

Among golds Buffelsfontein added R2.50 to R74.25, Free State Consolidated was R1.25 up at R31.50, Gold Fields firmed a similar amount to R40.25 and Driefontein rose 25 cents to R52.50, The higher trend was reflected in oth-

er minings, with Rustenhurg Platinum adding B1 to R31.50 and diamond share De Beers 30 cents to R20.10.
Mining financial Anglo American closed 55 cents higher at R42.

Industrials closed generally mixed. AECI added 50 cents to R11.00, Barlow Rand 10 cents to R15.30, while Rem-

brandt slipped R1 to R50

SINGAPORE STOCK EXCHANGE

Despondency sets in as bull run ends

FORCED selling of hlue-chips yesterday pushed the Singapore stock market to its lowest levels in six years as growing despondency overtook investor Chris Sherwell in Singapore.

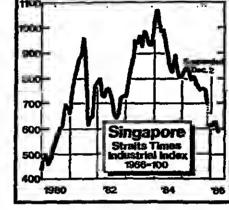
Bankers and broking analysts said the fall appeared to end a period of false buoyancy after the sharp plunge in prices which followed the unprecedented closure of the market in early Decem-

The three-day shutdown was a reaction to worries over forward share dealings by Pan-Electric Industries, a local company then being placed into receivership. It generated concern about the viability of local broking firms at a time when the Singapore economy was contracting for the first time in 20 years.

Many analysts now believe the market will continue its decline, which they say is attributable to a squeeze by neryous bankers on troubled brokers and to growing concern about political develop-

ments in neighbouring Malaysia.

The OCBC index of 55 stocks - the



best guide to market performance - fell another 12.17 points yesterday to 424.48, a level not seen since early 1980. The more widely watched Straits Times index of 30 industrial stocks fell 17.08 points to 584.86, a 43-month low.

Yesterday's fall of the Straits Times

sure. Before Christmas the index hit it has since remained above 600, thanks largely to strong huying interest in Singapore International Airlines, the national flag carrier which offered shares to the public in November. Although volume was not heavy yesterday, selling was across-the-board and many hlue chips fell. Pressure by bank

index below the psychological 600-barri-

er was the second since the market's clo-

creditors on brokers filtered through to their clients, and margin calls led to the forced selling. Compounding the difficulty was the sale of shares by brokers being forced into liquidation - so far four firms are victims of the forwardsbare contract debacle, and more may

Latest worries over Malaysia focus on the resignation of Datuk Musa Hitam as Deputy Prime Minister, due to take effect this weekend, and further bombings in the East Malaysian province of Sabha, making emergency rule from Kuala Lumpur more likely.

SECRETARIA DE ENERGIA SUBSECRETARIA DE COMBUSTIBLES



Call for International Public Bid Number 10744 in order "To contract for the services of oil liquid gases recovery from natural gas coming from the oil fields of the Province of Mendoza, Argentine Republic." Gas del Estado shall receive the offers for undertaking these services in our

department GDA/ Gerencia Materiales, Servicios y Obras/ Licitaciones (Materials, Services and Works/ Bids Management, in Isabel la Católica 931/39, first floor, Buenos Aires. Argentine Republic, from Mondays to Fridays and from 7.30 to 13.30 until the day before the opening date and in Isabel la Católica 931/39, ground floor, Auditorium Hall, during the opening day titl 9.00 o'clock. BASIS FOR THE BID: All the firms interested in entering into this bid may

consult and/or obtain the corresponding documentation, the value of which is A 400 (Four hundred Australes) from Mondays to Fridays in Isabel la Católica 931/39, first floor, Buenos Aires, Argentine Republic, according to the following timetable:

Informations: Acquisition: International Information:

7.30 to 14.00 7:30 to 13.30

TELEX 22698 GASES AR TELEX 22868 GASES AFI

OPENING: The opening shall take place on May 21, 1986, at 9.00 a.m., in Isabel La Catolica 931/39, Ground Floor, Auditorium Hall, Buenos Aires. Argentine Republic.

Guarantees: Applications shall be enclosed with an offer guarantee, for an amount of A 125,000 (one hundred and twenty five thousand Australes); the amounts and characteristics of the awarding and good execution guarantee are specified in the basis of the bid.

IMPORTANT: In order to put the offers under consideration it shall be necessary to obtain the specifications.

DENMARK 237.91 174.44 SE FRANCE 208.4 CAC Gen 315.6 113.1 Ind. Tendance WEST GERMANY FAZ-Aktien 688.43 688.87 Commerzbank 2,088.5 2,097.3 1,214.3 HONG KONG Hang Seng 1,612.67 1,590.39 1,335.82 ITALY 614.69 276.98 Banca Comm NETHERLANDS ANP-CBS Gen 165.6 ANP-CBS Ind NORWAY Oslo SE 345.94 328,14 SINGAPORE Straits Times 601.94 831.31 SOUTH AFRICA JSE Golds JSE Industrials SPAIN 143.45 111.36 Madrid SE 150.23 SWEDEN 1,945.46 2,203.52 1,444.17 SWITZERLAND 428.9 Swiss Bank Ind 586.6 WORLD 292.7 MS Capital Int7 290.3 196.6 COMMODITIES (London) Prev 383.60p 397.60p Silver (spot fixing) 2980.50 £987.50 Copper (cash) £2,522.50 £2.504.50 Coffee (Mar) Oil (spot Arabian Light) n/a n/a GOLD (per ounce) March 13 \$348.25 \$344.50 London 5349.45

\$352.16

\$349.60

Paris (foung)

New York (April)

\$345.84

\$344.80

471.2	(offered rate)	DEPARTE :	TW41A							
	3-month			75	7%					
72.42	6-month	US\$		7% 7%	74a 74a					
	US3-mouth C	De	7	7.05*	7.30					
2,310.05	US3-mouth T-	bilis	•	5.58°	6.81					
		US BO	NDS							
	Traccore									
2,024.0	Treasury	More	th 13°	p	rev					
2,586.9		Price		Price	Yield					
129.10	8 1988	1011%		1011%						
	8% 1993	1052%2	7.663	106%	7.572					
174.44	8% 1996 9% 2016	1071%2 1132%2	7.801	108%	7.693 7.918					
174.44	34 2010	110 22	0.017	110/42	7.510					
208.4	Treesury Inde									
113.1	Maturity F		ft 13° Day's	Yield	Dey's					
	(yeers)		mude	11000	change					
419.27		47.16 -	0.84	7.76	+0.11					
1,214.3			0,45	7.58	+0.10					
			0.14 -0.41	7.36 7.64	+0.07					
1,335.82			2.23	8.41	+0.14					
	Source: Merrit									
276.98										
	Corporate AT & T	March Price	Yield	Pre Price	-					
209.7	10% June 1990	101%	9.85	101%	9.85					
165.6	3% July 1990	89%	8.75	89%	6.75					
	8% May 2000	97%	9.05	98%	8.95					
328,14	Xerox 10% Mar 1993	108	8.21	108.21	8.15					
	Diamond Shamr		U.E 1	I Javan	4. 14					
831.31	10% May 1993	101,21	10.25	101%	10.20					
	Federated Dept	Stores								
924.6	10% May 2013	108%	9.70	109%	9.59					
846.6	Abbot Lab									
	11,80 Feb 2013	114½	10.20	114%	10.20					
111.36	Alcoa	1001	10.55	440.7	40					
	12% Dec 2012	113%	10.53	113%	10.70					
1,444,17	Source: Salomon I	siomers								
	FINANCIAL FUTURES									
428.9	CHICAGO	Latest	High	Low	Prev					
	US Treasury Bo		_							
Yearago 196.6	8% 32nds of 100									
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	\$1m points of 10)		ì					
rev	June		99.79	93.68	93.72					
383.60p	Certificates of			30.00	93.73					
980.50	\$1m points of 10		,							
522.50	Mar		92.81	92.80	. 92.84					
n/a	LONDON									
	Three-month 2		ď							
Prev	\$1m points of 10		00.75	20.00	00.55					
344.50	June		HZ./5	92.68	¥2.75					
344.25	20-year Notice 250,000 32nds o									
345.84	June	119-24 1	20-10 1	119-19 1	20-10					
344.80										
353.00	* Latest available fig	70796								
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